

**The Portsmouth Harbour Ferry Company  
Limited**

**Annual report and financial  
statements**

Registered number 00018751

31 March 2016

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## **Company information**

### **Directors**

JL Foster  
JL Clarke  
CM Waters  
EL Rowland

### **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**

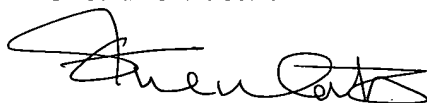
FIH group plc manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary for an understanding of the development, performance or position of the business. The performance of The Portsmouth Harbour 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.

The company has paid a dividend in respect of the current financial year of £400,000 (2015: £443,000). 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 provision of management services to subsidiary companies.

### **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  
EL Rowland  
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.



## **Independent auditor's report to the members of Portsmouth Harbour Ferry Company Limited**

We have audited the financial statements of Portsmouth Harbour Ferry Company Limited for the year ended 31 March 2016 set out on pages 6 to 19. 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](http://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*

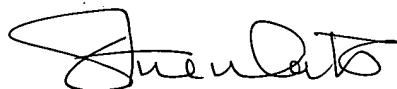
	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
<b>Turnover</b>			-
Other operating charges	2	(238)	(145)
Other operating income	3	528	300
		<hr/>	<hr/>
<b>Operating profit</b>	4	290	155
Proceeds received on sale of vessel		60	-
Dividends received from subsidiary undertakings		285	402
Interest payable and similar charges	6	(112)	(7)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		523	550
Tax on profit on ordinary activities	7	(18)	(33)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		505	517
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Other comprehensive income for the year, net of income tax</b>		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		505	517
		<hr/>	<hr/>



**Balance sheet**  
*at 31 March 2016*

	Note	2016	2015
		£000	£000
<b>Fixed assets</b>			
Tangible assets	8	5,257	5,377
Investments	9	63	63
		<hr/> 5,320	<hr/> 5,440
<b>Current assets</b>			
Debtors	10	2,531	2,020
Cash at bank and in hand		265	309
		<hr/> 2,796	<hr/> 2,329
<b>Creditors: amounts falling due within one year</b>	11	<hr/> (3,440)	<hr/> (5,488)
<b>Net current liabilities</b>		<hr/> (644)	<hr/> (3,159)
<b>Total assets less current liabilities</b>		<hr/> 4,676	<hr/> 2,281
<b>Creditors: amounts falling due after more than one year</b>	12	<hr/> (2,863)	<hr/> (598)
<b>Provisions for liabilities</b>			
Deferred tax liability	14	<hr/> (573)	<hr/> (548)
<b>Net assets</b>		<hr/> <hr/> 1,240	<hr/> <hr/> 1,135
<b>Capital and reserves</b>			
Called up share capital	15	230	230
Share premium reserve		4	4
Profit and loss account		1,006	901
<b>Shareholders' funds</b>		<hr/> <hr/> 1,240	<hr/> <hr/> 1,135

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: 00018751

## Statement of changes in equity

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2014	230	4	827	1,061
<b>Total comprehensive income for the year</b>				
Profit	-	-	517	517
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	517	517
<b>Transactions with owners, recorded directly in equity</b>				
Dividends	-	-	(443)	(443)
<b>Total contributions by and distributions to owners</b>	-	-	(443)	(443)
<b>Balance at 31 March 2015</b>	<b>230</b>	<b>4</b>	<b>901</b>	<b>1,135</b>

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	230	4	901	1,135
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	505	505
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	505	505
<b>Transactions with owners, recorded directly in equity</b>				
Dividends	-	-	(400)	(400)
<b>Total contributions by and distributions to owners</b>	-	-	(400)	(400)
<b>Balance at 31 March 2016</b>	<b>230</b>	<b>4</b>	<b>1,006</b>	<b>1,240</b>

The profit and loss reserve includes the £20,000 historical revaluation of the ticket office, which is not distributable.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 Cleeve, Shropshire, 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 transactions with wholly owned subsidiaries;
- 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:

- 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 17.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis, with one historical revaluation of the ticket office at Gosport, which was valued at £20,000 in 1985, the net book value of the asset prior to this revaluation was £nil. This valuation has not been updated in the transition to FRS 101.

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £644,000 (2015: £3,159,000) which the directors believe to be appropriate for the following reasons.

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. The borrowings due to other group companies will not be recalled in the foreseeable future.

#### **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.

##### *Investments in debt and equity securities*

Investments in subsidiaries are carried at cost less impairment.

##### *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 deemed cost less accumulated depreciation and accumulated impairment losses.

Certain items of tangible fixed assets that had been revalued to fair value on or prior to 1 April 2014, the date of transition to FRS 101, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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:

Freehold land and buildings	Periods between 25 and 50 years
Plant and equipment	Periods between 5 and 10 years
Vessels	30 years

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

#### 1.6. Impairment

##### *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.

#### 1.7. 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.

Turnover from sale of goods is recognised at the point of sale or dispatch. Revenue from property sales is recognised on completion. Turnover also includes proceeds from property rental income, insurance commissions, revenues billed for shipping and agency activities and port services.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8. Expenses

##### *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.

#### 1.8. 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 Other operating charges

	2016 £000	2015 £000
Administrative expenses	238	145

**Notes (continued)**

**3 Other operating income**

	<b>2016</b>	2015
	<b>£000</b>	£000
Rental income receivable	<b>528</b>	300
	<u>          </u>	<u>          </u>

**4 Expenses and auditor's remuneration**

*Included in profit/loss are the following:*

*Auditor's remuneration:*

	<b>2016</b>	2015
	<b>£000</b>	£000
Audit of these financial statements	-	-
	<u>          </u>	<u>          </u>

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

**5 Staff numbers and costs**

The company had no employees other than the directors in either the current or the preceding year. The directors received no remuneration in the form of emoluments and fees during the year (2015: £nil). In both the current and prior year the remuneration and fees of certain directors have been paid by Gosport Ferry Limited. JL Foster and EL Rowland are also directors of FIH group plc and are remunerated at a group level where their services are primarily directed.

**6 Interest payable and similar charges**

	<b>2016</b>	2015
	<b>£000</b>	£000
Interest payable on bank borrowings	<b>112</b>	7
	<u>          </u>	<u>          </u>

## Notes (continued)

### 7 Taxation

#### Recognised in the profit and loss account

	2016		2015
	£000	£000	£000
<i>UK corporation tax</i>			
Current tax on income for the period	16		150
Adjustments in respect of prior periods	(9)		(8)
	<hr/>		<hr/>
Total current tax		7	142
<i>Deferred tax (note 14)</i>			
Origination and reversal of temporary differences	(58)		(175)
Adjustments in respect of prior periods	(22)		-
Reduction in tax rates	55		-
	<hr/>		<hr/>
Total deferred tax		(25)	(175)
		<hr/>	<hr/>
Tax on profit on ordinary activities		(18)	(33)
		<hr/>	<hr/>

#### Reconciliation of effective tax rate

	2016	2015
	£000	£000
Profit for the year	505	517
Total tax expense	18	33
	<hr/>	<hr/>
Profit excluding taxation	523	550
Tax using the UK corporation tax rate of 20% (2015: 21%)	105	116
Expenses not deductible for tax purposes	(12)	-
Depreciation (less than)/in excess of capital allowances	6	(7)
Non-taxable income (dividends from subsidiaries)	(57)	(84)
Reduction in tax rates	(55)	-
Adjustments to tax charge in respect of prior periods	31	8
	<hr/>	<hr/>
Total tax expense	18	33
	<hr/>	<hr/>

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)**

**8 Tangible fixed assets**

	<b>Freehold land and buildings £000</b>	<b>Vessels, plant and equipment £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost</b>				
Balance at 1 April 2014	21	3,233	1,873	5,127
Additions	-	33	1,345	1,378
Transfers	-	3,218	(3,218)	-
<b>Balance at 31 March 2015</b>	<b>21</b>	<b>6,484</b>	<b>-</b>	<b>6,505</b>
Additions	-	109	-	109
Disposal	-	(84)	-	(84)
<b>Balance at 31 March 2016</b>	<b>21</b>	<b>6,509</b>	<b>-</b>	<b>6,530</b>
<b>Depreciation and impairment</b>				
Balance at 1 April 2014	1	980	-	981
Depreciation charge for the year	-	147	-	147
<b>Balance at 31 March 2015</b>	<b>1</b>	<b>1,127</b>	<b>-</b>	<b>1,128</b>
Depreciation charge for the year	-	229	-	229
Disposal	-	(84)	-	(84)
<b>Balance at 31 March 2016</b>	<b>1</b>	<b>1,272</b>	<b>-</b>	<b>1,273</b>
<b>Net book value</b>				
At 1 April 2014	20	2,253	1,873	4,146
At 1 April 2015	20	5,357	-	5,377
<b>At 31 March 2016</b>	<b>20</b>	<b>5,237</b>	<b>-</b>	<b>5,257</b>

**Notes (continued)**

**9 Fixed asset investments**

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership	
			2016	2015
Portsea Harbour Company Limited	United Kingdom	Ordinary	100%	100%
Clarence Marine Engineering Limited	United Kingdom	Ordinary	100%	100%
Gosport Ferry Limited	United Kingdom	Ordinary	100%	100%
Portsmouth Harbour Waterbus Company Limited	United Kingdom	Ordinary	100%	100%

**10 Debtors**

	2016 £000	2015 £000
Amounts owed by parent company	2,500	2,019
Corporation tax	31	1
	<hr/>	<hr/>
Debtors due within one year	2,531	2,020
	<hr/>	<hr/>

**11 Creditors: amounts falling due within one year**

	2016 £000	2015 £000
Bank loans and overdrafts (note 13)	401	137
Amounts owed to group undertakings	3,033	5,338
Accruals and deferred income	6	13
	<hr/>	<hr/>
	3,440	5,488
	<hr/>	<hr/>

**12 Creditors: amounts falling after more than one year**

	2016 £000	2015 £000
Bank loans and overdrafts (note 13)	2,863	598
	<hr/>	<hr/>
	2,863	598
	<hr/>	<hr/>

## Notes (continued)

### 13 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
<b>Creditors falling due more than one year</b>		
Secured bank loans	2,863	598
	<hr/>	<hr/>
<b>Creditors falling due within less than one year</b>		
Secured bank loans	401	137
	<hr/>	<hr/>

Included within secured bank loans are amounts repayable after five years by monthly instalments. At 31 March 2016, the group had three bank loans outstanding, which are as follows:

- (i) £598,000 repayable over five years, which has been secured against two vessels. Interest is payable on this loan at 2.8% over the Bank of England base rate;
- (ii) £2,200,000 repayable over ten years, secured against Harbour Spirit, the new vessel delivered in 2015, with interest charged at 2.6% above the bank of England base rate; and
- (iii) £466,000 repayable over ten years, with interest charged at 1.75% above the Bank of England base rate. This loan has been secured against the net assets of FIH group plc and the net assets of all its UK subsidiaries.

The interest payable on these loans has been hedged by one interest swap, taken out in October 2015 with a notional value of £3.6 million, with interest payable at the difference between 1.325% and the Bank of England Base rate. This interest rate swap notional value will decrease at £36,250 per month over five years until September 2020 when it will expire. This interest rate swap is held in the name of FIH group plc.

#### *Terms and debt repayment schedule*

	Currency	Nominal interest rate %	Year of maturity	Face value (initial value) 2016 £000	Carrying amount 2016 £000	Face value 2015 £000	Carrying amount 2015 £000
£0.6 million repayable by March 2020	GBP	3.3	2020	735	598	735	735
£2.2 million repayable by April 2025	GBP	3.1	2025	2,390	2,200	-	-
£0.5 million repayable by April 2025	GBP	1.75	2025	500	466	-	-
				<hr/>	<hr/>	<hr/>	<hr/>
				3,625	3,264	735	735
				<hr/>	<hr/>	<hr/>	<hr/>

No loan agreements were breached during the year.

## Notes (continued)

### 14 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	-	-	(573)	(548)	(573)	(548)
Net tax liabilities	-	-	(573)	(548)	(573)	(548)

#### *Movement in deferred tax during the year*

	1 April 2015 £000	Recognised in income £000	31 March 2016 £000
Tangible fixed assets	(548)	(25)	(573)

#### *Movement in deferred tax during the prior year*

	1 April 2014 £000	Recognised in income £000	31 March 2015 £000
Tangible fixed assets	(373)	(175)	(548)

### 15 Capital and reserves

#### Share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
230,000 ordinary shares of £1 each	230	230

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 paid in the financial year	400	443

The directors do not recommend a final dividend.

**Notes (continued)**

**16 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 The Portsmouth Harbour Ferry Company Limited are consolidated, can be obtained from FIH group plc, Kenburgh Court, 133-137 South Street, Bishop's Stortford, Hertfordshire CM23 3HX.

**17 Accounting estimates and judgements**

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The liabilities consist mainly of the total £3,264,000 bank loans. An increase of 100 basis points in interest rates at the balance sheet date would have increased or decreased equity and profit or loss by £33,000. This calculation assumes that the change occurred at the balance sheet date and has been applied to risk exposures existing at that date.