

Incorporated by The Bournemouth-Swanage Motor Road and Ferry Act 31 July 1923

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

COMPANY INFORMATION

Directors	GR Kean MPR Kean Mrs TA Nicol
Secretary	Mrs TA Nicol
Incorporated by Act of Parliament	31 July 1923
Head office	Fairacres Stock Lane Ingatestone Essex CM4 9QL
Auditors	Rickard Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN
Business address	Ferry Office Shell Bay Studland Swanage Dorset BH19 3BA
Bankers	Handelsbanken Greenwood House 91-99 New London Road Chelmsford Essex CM2 0PP

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

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THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their ninety third report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of the operation, under statute, of a motor driven chain ferry.

Directors

No director held any beneficial interest in the share capital of the company. In order to qualify each of the directors holds one hundred shares on trust for the holding company. The directors' interests in the holding company, Fairacres Group Limited, are disclosed in the directors' report of that company.

GR Kean
MPR Kean
Mrs TA Nicol

Results and dividends

The results for the year are set out in the profit and loss account on page 5. Both the level of the business and the year end financial position were in line with expectations.

Ordinary dividends were paid amounting to £748,200. The directors do not recommend payment of a final dividend.

Directors' insurance

A directors' indemnity insurance policy exists in the form of a combined insurance policy across the group.

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company has no interest bearing financial instruments and as such the directors do not consider that they are exposed directly to interest rate risk.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

In accordance with the company's constitution, a resolution proposing that Rickard Luckin Limited be re-appointed as auditors of the company will be put at a General Meeting.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

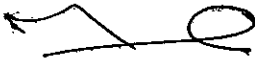
So far as the directors are aware,

(a) there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Mrs TA Nicol
Secretary

28-9-17

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

We have audited the financial statements of The Bournemouth-Swanage Motor Road & Ferry Company for the year ended 31 March 2017 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 pages 1 - 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Bournemouth-Swanage Motor Road & Ferry Co Acts 1923-1986 and the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Rickard Luckin Ltd

Janis Osborne (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

28-9-17
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Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover		3,056,480	3,057,547
Cost of sales		(1,366,918)	(1,371,180)
Gross profit		<u>1,689,562</u>	<u>1,686,367</u>
Administrative expenses		(480,941)	(490,873)
Other operating income		35,451	57,494
Operating profit		<u>1,244,072</u>	<u>1,252,988</u>
Interest receivable and similar income		7	451
Profit before taxation		<u>1,244,079</u>	<u>1,253,439</u>
Taxation	3	(281,699)	(230,715)
Profit for the financial year		<u><u>962,380</u></u>	<u><u>1,022,724</u></u>

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	4		13,649,306		13,712,005
Current assets					
Stocks		220,129		259,946	
Debtors	5	39,977		34,799	
Cash at bank and in hand		1,553,372		1,401,963	
		1,813,478		1,696,708	
Creditors: amounts falling due within one year	6				
		(212,464)		(368,898)	
Net current assets			1,601,014		1,327,810
Total assets less current liabilities			15,250,320		15,039,815
Creditors: amounts falling due after more than one year	7		(34,978)		(34,978)
Provisions for liabilities	8		(659,484)		(806,000)
Net assets			14,555,858		14,198,837
Capital and reserves					
Called up share capital	10		61,000		61,000
Revaluation reserve			12,563,424		12,571,152
Other reserves	11		1,931,434		1,566,685
Total equity			14,555,858		14,198,837

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28-9-17 and are signed on its behalf by:



MPR Kean
Director

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2015	61,000	12,657,017	1,087,275	(13,704)	13,791,588
Year ended 31 March 2016:					
Profit for the year	-	-	-	1,022,724	1,022,724
Other comprehensive income:					
Tax relating to other comprehensive income	-	119,000	-	-	119,000
Total comprehensive income for the year	-	119,000	-	1,022,724	1,141,724
Dividends	-	-	-	(734,475)	(734,475)
Transfers	-	(204,865)	479,410	(274,545)	-
Balance at 31 March 2016	61,000	12,571,152	1,566,685	-	14,198,837
Year ended 31 March 2017:					
Profit for the year	-	-	-	962,380	962,380
Other comprehensive income:					
Tax relating to other comprehensive income	-	146,516	-	-	146,516
Total comprehensive income for the year	-	146,516	-	962,380	1,108,896
Dividends	-	-	-	(751,875)	(751,875)
Transfers	-	(154,244)	364,749	(210,505)	-
Balance at 31 March 2017	61,000	12,563,424	1,931,434	-	14,555,858

The revaluation reserve totalling £12,563,424 represents reserves generated from historic revaluations less the unwinding of associated depreciation and provision for deferred tax, and as such are non-distributable.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

The Bournemouth-Swanage Motor Road and Ferry Company Inc. is a company limited by shares incorporated under the Bournemouth-Swanage Motor Road and Ferry Company Act 31 July 1923.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Bournemouth-Swanage Motor Road and Ferry Acts 1923-1986 and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents the consideration received or receivable for providing the ferry service, and is shown net of VAT and other sales related taxes. Turnover is generated entirely within the UK.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The company has adopted the transitional arrangements, included within FRS 102 and have chosen to "freeze" the valuation of land and buildings and the Motor Ferry as at the date of transition; 31st March 2014. No subsequent valuations are therefore included and the valuation at that date becomes the "deemed cost".

No depreciation is provided on freehold land.

Buildings with an estimated economic life in excess of 50 years are not depreciated. Other buildings are depreciated on a straight line basis over their remaining economic life. The non-depreciation of these assets is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view. It is estimated that the useful life of the land and buildings used in the business exceeds 50 years and that its residual value would not be less than its book value.

Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Motor Ferry	33 years
Equipment and motor vehicles	5 - 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

The useful economic life of the Motor Ferry has been revised from 28 to 33 years during the current year. The directors feel this is an appropriate revision based on the current condition of the asset. The depreciation charge has been revised accordingly.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.5 Stocks

Stocks are stated at cost as they are used solely for the purpose of the ferry re-fit and are not held for sale.

At each reporting date, an assessment is made for impairment.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

In accordance with FRS 102 deferred tax is provided in respect of historically revalued assets as appropriate.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Motor ferry replacement reserve

An amount is set aside over a period of 33 years (previously 28 years) from 31 March 1993 to renew the motor ferry by the transfer of an estimated amount to the Motor Ferry Replacement Reserve, when sufficient funds are available. As this is an allocation of profit and loss reserves it may be necessary, in the future, to utilise part of the provision to fund substantial other items of expenditure.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 43 (2016 - 40).

3 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	281,699	309,520
Adjustments in respect of prior periods	(71,965)	(148,740)
Group tax relief	71,965	88,935
	<u>281,699</u>	<u>249,715</u>
Deferred tax		
Origination and reversal of timing differences	-	(19,000)
	<u>-</u>	<u>(19,000)</u>
Total tax charge	<u>281,699</u>	<u>230,715</u>

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Tangible fixed assets

	Land, roads & slipways	Buildings	Motor Ferry	Equipment and motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2016	11,520,000	860,354	1,900,000	155,595	14,435,949
Additions	8,971	107,078	-	-	116,049
At 31 March 2017	11,528,971	967,432	1,900,000	155,595	14,551,998
Depreciation and impairment					
At 1 April 2016	-	47,222	542,858	133,864	723,944
Depreciation charged in the year	-	24,186	135,714	18,848	178,748
At 31 March 2017	-	71,408	678,572	152,712	902,692
Carrying amount					
At 31 March 2017	11,528,971	896,024	1,221,428	2,883	13,649,306
At 31 March 2016	11,520,000	813,132	1,357,142	21,731	13,712,005

The two and a half mile strip of land which is occupied for the ferry road is held in perpetuity under the terms of The Bournemouth-Swanage Motor Road and Ferry Act 1923.

The land for the buildings, causeway and slipways is freehold.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

On a historical cost basis fixed assets would have been included at:

	Land, roads and slipways	Buildings	Motor Ferry	Equipment and motor vehicles	Total
	£	£	£	£	£
Cost	138,977	371,489	2,123,690	155,595	2,789,751
Accumulated depreciation based on historical cost	-	184,525	2,123,690	152,712	2,460,927
	138,977	186,964	-	2,883	328,824

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	5,335	5,359
Other debtors	34,642	29,440
	<u>39,977</u>	<u>34,799</u>
	<u><u>39,977</u></u>	<u><u>34,799</u></u>
6 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	5,750	6,082
Amounts due to group undertakings	13,984	11,382
Corporation tax	141,691	309,068
Other taxation and social security	15,800	16,182
Other creditors	35,239	26,184
	<u>212,464</u>	<u>368,898</u>
	<u><u>212,464</u></u>	<u><u>368,898</u></u>
7 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Other creditors	34,978	34,978
	<u>34,978</u>	<u>34,978</u>
	<u><u>34,978</u></u>	<u><u>34,978</u></u>

The preference shares comprise £35,000, 10.5% non-cumulative preference shares of £1 each less £22 calls in arrears. The preference shares carry no voting rights and rank in priority to the ordinary shares for repayment in the event of the company being wound up. The holders of the preference shares have no right to receive notice of or to be present or to vote at any General Meeting of the company.

On winding up, the preference shares confer the right to the return of the capital paid up or credited as paid up plus arrears of dividend, before any return of capital is made on any other shares. The holders of preference shares shall not then have the right to participate further in profits or assets.

8 Provisions for liabilities		2017	2016
		£	£
Deferred tax liabilities	9	659,484	806,000
		<u>659,484</u>	<u>806,000</u>
		<u><u>659,484</u></u>	<u><u>806,000</u></u>

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Deferred taxation

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Revaluations	659,484	806,000
	<u>659,484</u>	<u>806,000</u>
Movements in the year:		2017 £
Liability at 1 April 2016		806,000
Credit to other comprehensive income		(146,516)
Liability at 31 March 2017		<u>659,484</u>

10 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,740,000 Ordinary of 5p each	87,000	87,000
Less: Discount of 50% on issue of 1,040,000	(26,000)	(26,000)
	<u>61,000</u>	<u>61,000</u>

11 Other reserves

Transfers are made from the profit and loss account to the Motor Ferry Replacement Reserve, to the extent that reserves are available. In June 2008, the company obtained a professional estimate of the cost of building a diesel electric powered motor ferry to replace the company's existing vessel. The approximate cost was £6,179,500. If full provision for renewal had been made, based on this figure with an assumed inflation of 3% per annum, the Motor Ferry Replacement Reserve at the balance sheet date would have totalled £7,297,008 (2016: £6,947,389) based on a period of 33 years (2016: 28 years).

12 Financial commitments, guarantees and contingent liabilities

The company, together with four other group companies, has entered into a composite guarantee in respect of bank overdrafts of those companies. There is a right to set off incorporated within the cross guarantee. The net overdraft indebtedness of the group companies to the bank at the year end date was £Nil (2016: £Nil).

The company, together with four other group companies, has also entered into a composite cross guarantee in respect of bank loans totalling, at the balance sheet date, £8,000,000 to Silvermist Properties (Chelmsford) Limited.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	24,591	82,740
	<u>24,591</u>	<u>82,740</u>

14 Related party transactions

The company has taken advantage of the exemption in the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") Section 1A to disclose transactions with group companies on the grounds that it is a subsidiary that is wholly owned.

At the year end the company owed its parent company £13,984 (2016: £11,382).

15 Parent company

The company is a wholly owned subsidiary of Fairacres Group Limited, a company registered in England. Details of the group and consolidated financial statements can be found at Companies House. That company is controlled by its directors.

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

		2017		2016
	£	£	£	£
Turnover				
Tolls		3,056,480		3,057,547
Cost of sales				
Ferry harbour dues	1,272		1,150	
Ferry consumable stores	60,789		57,391	
Ferry wages and salaries	709,329		684,950	
Building repairs and maintenance	7,891		19,864	
Slipway repairs & maintenance	11,879		58,193	
Road repairs & maintenance	5,642		104,489	
Ferry repairs & maintenance	359,045		88,899	
Ferry insurance	32,323		42,356	
Depreciation on freehold property	24,186		23,611	
Depreciation on motor ferry	135,714		271,429	
Depreciation on other equipment	18,848		18,848	
		<u>(1,366,918)</u>		<u>(1,371,180)</u>
Gross profit	55.28%	1,689,562	55.15%	1,686,367
Other operating income				
Sundry income		35,451		57,494
Administrative expenses		<u>(480,941)</u>		<u>(490,873)</u>
Operating profit		1,244,072		1,252,988
Investment revenues				
Other interest received	7		451	
		<u>7</u>		<u>451</u>
Profit before taxation	40.70%	<u>1,244,079</u>	40.99%	<u>1,253,439</u>

THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Administrative expenses		
Wages and salaries	114,714	120,472
Staff pension costs defined contribution	34,696	34,848
Management charge	127,396	118,931
Rates	99,750	98,999
Tickets	3,692	5,498
Light and heat	6,263	5,799
Repairs and maintenance	-	185
Insurance	17,732	20,347
Motor running expenses	4,697	3,636
Legal and professional fees	11,171	25,229
Audit fees	12,825	12,575
Bank charges	10,072	8,692
Bad and doubtful debts	-	475
Printing, postage and stationery	5,907	4,235
Advertising	45	45
Telecommunications	3,286	2,814
Sundry expenses	28,695	28,093
	<hr/>	<hr/>
	480,941	490,873
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