

The Bournemouth-Swanage Motor Road and Ferry Company

(Incorporated by Act of Parliament 31st July 1923)

Explanatory Note

To an Application to Increase Certain Toll Charges

12th July 2024

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1. Background

- 1.1 The Ferry Company was established by The Bournemouth-Swanage Motor Road and Ferry Act 1923 (“1923 Act”). This Act authorised the Ferry Company to construct a motor road and establish a Ferry to provide a more direct means of transport between Bournemouth and Swanage. The Act stated that this would be to a public and local advantage.
- 1.2 The journey from Swanage to Poole or Bournemouth, using the Ferry, is a distance of some 14 kilometres or 21 kilometres respectively. It is possible to avoid using the Ferry by driving around the western side of Poole Harbour, via Corfe Castle and Wareham, using the A351. That involves a journey of some 31 kilometres to Poole or some 38 kilometres to Bournemouth.
- 1.3 The current Ferry is the Bramble Bush Bay, which was brought into service in 1994.

2. The Application

- 2.1 This Application is for the Secretary of State to make an Order in such manner, as she shall think fit, to revise the tolls: -
 - 2.1.1 To replace the current¹ annual fare increases, which are based on a flat 3%² annual increase with power to the Ferry Company to adjust the tolls once a year in line with the ONS's January CPI data. There are additional safeguards. The Ferry Company must publish its accounts and is limited in the amount it may pay to Shareholders.
 - 2.1.2 To gradually reduce the discounts on advance pass purchases for vehicles to a level that is consistent with the statutory criteria, while still offering significant discounts.
 - 2.1.3 To re-introduce the motor road toll that had been levied by the Ferry Company at various times in the past, pursuant to its statutory powers.

3. Toll Charge Revision

- 3.1 The Ferry Company was incorporated by Section 4 of the 1923 Act. The power to demand and receive tolls for the use of the ferry and the road was granted by Section 79 of the 1923 Act, with Section 28 providing for an increase in tolls from 1933 onwards.
- 3.2 The power to revise the tolls, following an Inquiry under the 1923 Act, was substituted by Section 6 of the Transport Charges & c (Miscellaneous Provisions) Act 1954 (“1954

¹ As provided by the current Order relating to tolls, namely the Bournemouth-Swanage Motor Road and Ferry (Revision of Tolls) Order 2021 (‘the 2021 Order’).

² As explained further below 3% was chosen as it was thought to be a reasonable estimate of RPI over time at the time of the application that led to the 2021 Order.

Act”). The relevant provisions of Section 6 of the 1954 Act (emphasis added) are:

“(2) An application may be made to the Minister at any time -

(a) By the undertakers; or,

(b) By any person, or anybody representative of persons, appearing to the minister to have a substantial interest,

for the revision of any of the charges which the undertakers are for the time being authorised to demand and take in pursuance of any statutory provision; and if on any such application the Minister is **satisfied that under the circumstances then existing it is proper so to do**, he may, subject to the provisions of this section, make an order **revising in such manner as he may think fit, with effect from such date as may be specified in the order, all or any of the said charges**, whether or not the subject matter of the application, including any classification by reference to which the amount of any of those charges is to be determined; and any such order shall have effect notwithstanding anything in any statutory provision relating to the subject matter of the order:

Provided that -

(1) the Minister shall not vary any charge other than those to which the application relates except after consultation with the undertakers and such other persons, or such bodies representative of other persons, appearing to him to have a substantial interest as may appear to him appropriate.

(2) where on any application under this section for an increase or a decrease in any charge the Minister has made an order or has decided that it is not proper to make an order, the Minister shall not entertain an application for a further increase or, as the case may be, a further decrease in that charge, or for a further revision of any other charge revised by the order, if any, so made, if that application is made before the expiration of a period of twelve months from the date of the making of the order or, as the case may be, from the date when the Minister gave notice of his decision not to make an order;...

(3) In making any order on an application under this section, the Minister shall **have regard to the financial position and future prospects of the undertaking** and shall **not make any revision of charges which in his opinion would be likely to result in the undertaking receiving an annual revenue either substantially less or substantially more than adequate to meet such expenditure on the working, management and maintenance of the undertaking** and such other costs, charges and expenses of the undertaking as are properly chargeable to revenue, **including reasonable contributions to any reserve, contingency or other fund and, where appropriate, a reasonable return** [upon the investment of the Ferry Company in the motor road and the ferry as defined in section 2 of the Bournemouth-Swanage Motor road and Ferry Act 1986]:”

4 Discretion

- 4.1 The Secretary of State, therefore, has a broad discretion to revise the tolls in such manner as she may think fit, subject to the statutory test.
- 4.2 This wide power was specifically noted by Mrs J. A. Vyse Dip TP Dip PNB MRTPI, an independent inspector appointed by the Secretary of State, in her report dated 15 February 2021 following the last public inquiry.

“5.32 The Minister’s power is to revise in ***such manner as he may think fit***. This is a very broad discretion. One should recall the wording of the predecessor section (s. 81 of the 1923 Act) i.e., *alter, modify, reduce or increase all or any of such tolls*. The result of the Inquiry may be neither binary (i.e., grant or refuse application) nor singular (i.e., to allow only an increase).

5.33 *All or any of the said charges may be revised with effect from such date as may be specified, but this does not mean that the order need only state one date*”³

- 4.3 The Secretary of State considered the report, noted the Inspector’s conclusions and agreed with her recommendation that the Order be made.⁴

5 Annual increases

- 5.1 The Secretary of State, in the exercise of powers conferred by Section 6 of the 1954 Act, last made an Order in respect of the tolls in 2021 as contained in the 2021 Order.
- 5.2 The 2021 Order followed the consideration of the Ferry Company’s application at a public inquiry held on 16th November 2020 and 5th-7th January 2021 before Mrs J. A. Vyse.
- 5.3 The 2021 Order included a provision for yearly incremental toll charge increases of up to 3% (based upon the Ferry Company’s financial projections and an assumption that RPI would average 3% pa across the period) as illustrated in the Inspector’s report.⁵
- 5.4 Whether the Secretary of State had the lawful power under the relevant legislation to make an Order, subject to maximum rates in any one year (an annual incremental approach) was specifically dealt with in the inspector’s conclusions to her report.

“8.4 I therefore recommend that an order be made confirming the toll increases proposed, subject to the maximum rates in any year as set out in the attached schedule at Annex 'C'. Whilst the applicant maintains that this proviso is not necessary, I consider it to be very necessary for the reasons set out above, otherwise, the Company could, if it so wished, introduce maximum fares (i.e., the fares before 2032) whenever it chose. That could, in some years, result in revenue

³ File Ref: DPI/G1250/20/9 paragraph 5.32

⁴ Letter Dave Candlish National Transport Casework Team to Michael P. R. Kean Managing Director Ferry Company 11th May 2021.

⁵ File Ref: DPI/G1250/20/9 Annex C

over and above what I consider to be adequate in the terms of the legislation. The view of Mr. Dubin, for the Consortium, is that such approach is lawful. I have no reason to disagree. In the event that the Secretary of State was to agree my recommendation, it should be noted that the applicant adopts Mr. Dubin's submission. If the Secretary of State was minded to make the Order in these terms, he may wish to take legal advice to ensure that it is a lawful approach within the terms of the relevant legislation." ⁶

5.5 The Secretary of State, noted the inspector's conclusions and agreed with her recommendation, such that it was the view of the Secretary of State that the 1954 Act permitted him to make an order allowing 3% annual increases, based upon assumed inflation.

5.6 The Bournemouth-Swanage Motor Road and Ferry (Revision of *tolls*) (Amendment) Order 2021 No. 854 subsequently provided for maximum tolls under the Schedule, in 11 parts, each for one annual period.

6 RPI Increases

6.1 The reason that the toll increases permitted by the 2021 Order were sought and were approved by the Secretary of State was to try to keep tolls broadly in line with anticipated inflation so that, in real terms, there would be no increase in the cost to passengers, but also so that tolls increased in line with the Ferry Company's annual costs, which are also subject to inflationary increases.

6.2 Inspector Vyse specifically dealt with whether RPI should be applied and at what rate in her report.

"7.43 I note in this regard that the forecast profit and loss accounts were prepared at a time when the forecast RPI was 3% and are based on a corresponding inflation rate. Whilst this was a concern of the objectors at the previous Inquiry, the inspector noted that a constant figure had been used across all data and, therefore, provided a consistent relative increase against which to judge the proportionate increases. I have no reason to take a different view in this Inquiry. As far as I am aware, the RPI continues to be a widely used indicator in the UK, including, for instance, by the Government in setting rail fares. As noted by Mr. Thomas, the Chancellor advised in 2019, that RPI would continue to be used by the Government until 2030 (subject to the outcome of consultation to be held in the future). Whilst 3% rate is higher than the current RPI and CPI rates, it is lower, albeit marginally, than the 3.1% RPI predicted by the consumer and marketing website Statistika.com for 2022."

Inspector Vyse further noted: -

"7.51 Some were concerned about the reliability of the forecast over a twelve-year period with criticism also that the proposed toll increases are excessive, with the discounted fares rising by some 35%. I recognise that forecasting inflation

over the next twelve years is never going to be an exact science. However, and whether or not other companies/businesses provide forecast based on that length of time, a good sense check is a historical data over the last twelve years. Mr. Thomas confirmed to the Inquiry in this regard, that that data had informed the forecast. In any event, given that the expected life span of the current Ferry is twelve years, it seems not unreasonable to me to secure a gradual toll increase over that period, in order to be able to purchase a replacement as and when the annual submission of the accounts to the SOS providing regular scrutiny. As to the overall toll increase, this is spread over the twelve year period and reflects the 3% rate referred to above, which I have found not to be unreasonable.”

- 6.3 Two inspectors, one at the Public Inquiry in 2018 and Inspector Vyse at the Public Inquiry in 2021, recommended the use of the predicted RPI figure across all data.
- 6.4 In 2021 the then Secretary of State agreed to the report's conclusions. The tolls set out in the Schedule to the 2021 Order increases tolls by the assumed RPI increase each year.
- 6.5 The above excerpt from the Inspector’s report underscores an important point when the statutory test to revise fares is being considered by the Secretary of State. In determining whether to permit, modify or refuse this application the Secretary of State will have to take a view as to likely future events, based upon the information available to her at the time of the decision. This will necessarily involve her making assumptions about the future, and it is entirely proper that she does so, provided they are reasonable.

7 The Last Application

- 7.1 The last application for a revision of the toll charges, which led to the coming into force of the 2021 Order, was made by the Ferry Company in February 2020. Following the 2021 approval toll increases were introduced as soon as practicably possible in May 2021, some 15 months later.
- 7.2 The application, which relied on reports and evidence prepared in late 2019, was made on 24th February 2020. The first Covid lockdown began on 23 March 2020.
- 7.3 At the time of the previous public inquiry, as set out in the Inspector’s report ⁷ both RPI and CPI were marginally lower than 3% but RPI was predicted to rise to 3.1% in 2022.
- 7.4 Between the making of the 2021 Order and this application, the Ferry Company's financial position has significantly deteriorated. This is not due to a lack of passengers, indeed in many instances, traffic volumes have increased, but is largely due to external financial factors namely: -
 - (i) RPI was above 3% between May 2021 and May 2024 and peaked at 14% in November 2022.

- (ii) On 1st May 2023, the Corporation Tax main rate for non-ringfenced profits above £250,000 PA was increased from 19% to 25%. Companies with profits between £50,000 PA and £250,000 PA will pay tax at the main rate reduced by a marginal relief.
- (iii) Lower traffic volumes than forecast in the "peak" summer months of July/August in 2022 and 2023 because of poor weather.
- (iv) Loss of anticipated increased income in the 15 months that elapsed between the last application, which was successful, and the formal approval of that application.

8 This Application

- 8.1 This application consists of three parts. The first is that the existing arrangement that the tolls should be increased annually, based on an assumed RPI figure of 3% should, instead, be replaced by a mechanism which uses actual CPI figures.

The tolls will be set initially in the first year based on RPI since any particular toll was previously increased (to reflect actual expenditure and the time taken to hear the application) and will then be increased or decreased depending on the published CPI figures in each year.

- 8.2 The Secretary of State has the power to revise the tolls "in such manner as she shall think fit". This broad power permits her to revise the tolls by permitting that they may be increased by not more than the CPI increase in any given year. A previous Secretary of State has approved a recommendation that the Ferry Company can increase tolls on an annual basis subject to a maximum. Those figures were informed by or reflected an estimated RPI increase of 3% over the period. Restricting increases to actual inflation rather than predicted inflation is, indeed, the best way of ensuring that the statutory test imposed by section 6(3) of the Transport Charges (Miscellaneous Provisions) Act 1954 is met, as it will best ensure that the tolls received result in revenues which are neither substantially more nor substantially less than adequate to meet expenditure and a reasonable return.
- 8.3 The Ferry Company remains subject to scrutiny given the requirement to send accounts to the Secretary of State annually, together with the voluntary offer to publish the accounts on the Ferry Company's website and provide a physical copy for inspection at its operating offices.
- 8.4 An application for revision of charges under Section 6 under the 1954 Act, may be made under paragraph 6.2, namely: -

"An application may be made to the Minister at any time

(a) by the undertaker; or

(b) by any person, or any body representative of persons, appearing to the Minister to have a substantial interest,

(c) for the revision of any of the charges which the undertakers are, for the time being, authorised to demand.”

- 8.5 The publication of the accounts will, therefore, provide both any person using the Ferry and, perhaps more pertinently, Local and Parish Councils with a mechanism for reviewing the Ferry Company’s accounts. If it appears that, in the view of any person or body, the Ferry Company is now receiving an annual revenue that is substantially more than adequate to meet its expenditure, any person or body can make the appropriate application to the Secretary of State. At the last Public Inquiry, a consortium was formed between Dorset Council, Bournemouth, Poole and Christchurch Council and Swanage Town Council to object to elements of the Ferry Company’s last proposal.
- 8.6 The publication of the accounts, with accurate income, expenditure and profit figures, together with a power to any interested person to thereafter make an application to the Secretary of State, is an assurance that the Ferry Company is not being taken outside the scope of the provisions of the 1954 Act. The users of the Ferry Company continue to be safeguarded and protected.
- 8.7 Further, the Ferry Company has, in its draft Order, offered an additional safeguard, namely that it will not declare any distribution (in effect a dividend) without the Ferry Replacement Reserve (FRR) being in a “surplus” position in that year.
- 8.8 Further, any distribution will not exceed 6% of the total Net Asset Values. Such a figure is within a “reasonable return on the investment”: the test set out in Section 6(3) of the 1954 Act as subsequently amended by the Bournemouth-Swanage Motor Road and Ferry Act 1986 (“the 1986 Act”)
- 8.9 This proposal deals with the specific objection raised at the previous Public Inquiry, namely the concern about the reliability of the forecasts over a period and, the recognition by the inspector that forecasting inflation over a period, is never going to be an “exact science”.
- 8.10 The test is that the Secretary of State shall not make any revision of charges which, in her opinion, would be likely to result in the undertaking receiving an annual revenue either substantially less or substantially more than adequate to meet such expenditure. It is submitted that substituting a “forecast” of RPI in exchange for the exact CPI figures, on an annual basis, would allow the Minister to be readily satisfied that this is likely to result in the Ferry Company receiving an annual increase which is neither substantially less nor substantially more than is adequate to meet its expenditure.
- 8.11 CPI, as opposed to RPI, is a better and more favourable measure for the consumer.

This was a point made by some objectors at the last Inquiry.

8.12 The proposed mechanism will also: -

- (i) give certainty to the passengers and Ferry Company as to when changes will take effect. On the last occasion some 15 months elapsed between application and approval. The delay lost the Ferry Company part of the increase that was approved by the Secretary of State.
- (ii) reduce the burden of the existing procedure, which is expensive, not only to the Ferry Company but also to local taxpayers some of whom may not use the Ferry.
- (iii) remove much of the uncertainty that inhibits proper long-term planning and investment.
- (iv) Ensure that the price increases match the current state of the economy, and so in real terms closer to neutral.

9 Other Enterprises

Other similar enterprises (i.e. private companies established by statute which provide infrastructure services) are already setting tolls revised in line with inflation. The River Tyne Tunnel is such an example where the Secretary of State for Transport has made an order providing that the fares may be increased annually by the consumer prices index of inflation.⁶

10 Reduction in Discounts

10.1 Historically the Ferry Company offered discounts of 10% and 15% on multiples of 10 or 50 tickets for vehicles. Exceptionally, at the last inquiry, the Ferry Company offered additional discounts of up to 28% and 32% respectively as part of the consultation process.

10.2 The unanticipated impact on revenue since the last order means that those additional discounts became unaffordable and had to be reviewed. The new discounts proposed are closer to but still greater than the historic position.

10.2.1 Cars make up the vast majority of the Company's traffic and income. Over the two years of FYE's 2020 and 2021, the last periods before the increased levels of discount being introduced, the average price paid by a car (total 'car' revenue divided by the total number of cars transported) was £4.28.

10.2.2 In FYE 2022, the period when the 2021 Order increases came into force, this

⁶ See the River Tyne (Tunnels) Order 2005 (No.2222), in particular Schedule 14, and Tyne and Wear Act 1976, s.13.

figure rose, as was expected, but only to £4.49 as tabulated below.

	Average paid per Car	Cash Toll	Average Discount
FYE's 2020 & 2021	£4.28	£4.50	£0.22
FYE 2022	£4.49	£4.75	£0.26
FYE 2023	£4.33	£5.00	£0.67
FYE 2024	£4.53	£5.20	£0.67

- 10.2.3 The average paid per car shows that the effect of the new discounts is that cars are being carried at a greater discount each year. Three years ago, the average discount was £0.22 per car, now it is £0.67 per car. An increase of over 200% in the discount across that short period.
- 10.2.4 The latest figures show that this trend is expected to continue.
- 10.2.5 Despite cash toll levels increasing, and the Ferry Company carrying more vehicles, it is seeing lower levels of revenue than expected. The assumptions made as to the breakdown between passengers paying the full cash toll and passengers paying discounted rates, provided to the Secretary of State at the last inquiry, and upon which he relied in making the 2021 Order, have been shown, by the actual data, to be incorrect.
- 10.2.6 This is unsustainable now and will continue to be unsustainable in the future.
- 10.3 For this reason, the Ferry Company seeks to slowly reduce the discounts currently enjoyed by those making bulk purchases of vehicle passes (although under this proposal the level of discount remains at a higher level than historically enjoyed).
- 10.4 The available discounts are set out in the draft statutory instrument.
- 10.5 Motor vehicles can purchase passes in multiples of 10 and 50 currently at discounts of 28% and 32%. These discounts will gradually reduce over the next 4 years to 15% and 20% respectively.
- 10.6 The proposed new rates of discounts at 15% & 20% for ALL classes (i.e. all vehicles as well as foot passengers and cyclists) will then remain in force at that level until changed by any subsequent order.
- 10.7 The Ferry Company has considered various variable pricing models, including "off-season" or "off-peak" discounts but none have been identified that are workable and economically viable.
- 10.8 The proposed new level of discounts at 15% and 20% are still significant and comparable with other similar schemes. This proposal seeks to lessen the shortfalls in revenue currently experienced by the Ferry Company which are anticipated to continue to occur, despite the upturn in traffic.

11 Motor road toll

- 11.1 The Ferry Company is seeking to re-introduce the historic charge for the use of the motor road. The 1923 Act permits the Ferry Company to charge passenger and goods vehicles to use the motor road.
- 11.2 The Ferry Company's proposal is that: -
- (i) Pedestrians and cyclists will not be charged.
 - (ii) The toll for the use of the motor road will be comparable with the toll for a car to use the Ferry.
 - (iii) The motor road toll will not be charged if, on the same day, a toll has been paid or is paid in respect of the same vehicle for use of the Ferry.
- 11.3 The road toll will not increase the charges paid by Ferry users. The motor road toll will be paid by users of the motor road alone. The motor road's maintenance is paid for by the Ferry Company as part of its expenditure on the working management and maintenance, as such it is proper and fair that the cost of the road maintenance is borne by road users and not only ferry users.
- 11.4` The Ferry Company calculates that the motor road toll will raise additional annual revenue of approximately £50,000 which otherwise would need to be levied on the Ferry users to meet the expenses of the Ferry Company.
- 11.5 Although the primary reason for levying a motor road toll is to raise additional revenue in a way that minimises increases on ferry tolls the Ferry Company believes that charging for the use of the motor road will have the additional benefits of reducing road congestion in peak periods and making cycling on the motor road and verges safer.

12 The Evidence

The Ferry Company relies upon the following documents, all attached herewith, save where otherwise stated these documents have been produced by Mr Kevin Thomas, Chartered Accountant, of Rickard Luckin, the Company's Auditors & Accountants:

i)	Appendix 1	Financial Assumptions
ii)	Appendix 2.1	Forecast Profit and Loss Accounts to 31 st March 2040 - Tolls as approved in 2021.
iii)	Appendix 2.2	Forecast Profit and Loss Accounts to 31 st March 2040 - This application approved.
iv)	Appendix 3.1	Forecast Year-end Balance Sheets to 31 st March 2040 - Tolls as approved in 2021.
v)	Appendix 3.2	Forecast Year-end Balance Sheets to 31 st March 2040 - This application approved.
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xi)	Appendix 6.1	Cash flow analysis to 31 st March 2040 - Tolls as approved in 2021.
xii)	Appendix 6.2	Cash flow analysis to 31 st March 2040 - This application approved.
xiii)	Appendix 7.1	The RPI Index. Source: the Office for National Statistics
xiv)	Appendix 7.2	The CPI Index. Source: the Office for National Statistics

13 The financial effect on the Ferry Company if the tariffs in the 2021 Order are maintained (i.e. if this application is not approved).

- 13.1 The Ferry Company relies upon the detailed analysis provided by its accountants.
- 13.2 In light of inflation and the increase in passengers purchasing the heavily discounted bulk vehicle passes the Ferry Company faces significant and ongoing losses. In the financial year to 31st March 2023, The Ferry Company made a loss before taxation of **£721,149** and a loss after taxation of **£438,087**. In the last financial year to 31st March 2024, the Ferry Company made a profit before taxation of **£906,141** and a profit after taxation of **£537,205**. This profit being essentially cancelled by the losses in the previous year.
- 13.3 On the predicted figures once payments into the Ferry Replacement Fund have been factored in (which the Ferry Company has committed to making before it considers any payment of dividends), 2024 is the last year when the Company will make any profit. The Company will then have no net retained profit at all in the following years, after payments have been made into the Ferry Replacement Fund, at least until 2040. On any view, this cannot constitute a reasonable return on investment.
- 13.4 In major refit years total direct costs have risen from £2,055,578 as at 31st March 2019 to £3,726,788 as at 31st March 2023. In non refit years total direct costs have risen from £1,135,627 as at 31st March 2018 to £1,589,924 as at 31st March 2024.
- 13.5 Although savings have been made, overheads increased from £554,846 (31st March 2018) to £915,643 (31st March 2024)
- 13.6 If there is no increase in the tolls then the forecast position is that:-
- (i) As noted above, once payments have been made into the FRR, there will be no net retained profits and so no dividends can ever be paid.
 - (ii) The forecasted shortfall in the FRR in 2032 will be **£1,589,959** and in 2034 £349,842.

14 The Ferry Replacement Reserve

- 14.1 A new ferry is forecast to cost £17,541,731 in 2034.⁷
- 14.2 The order for the new ferry will be placed in 2032, allowing for a 2-year design and build, before coming into service in 2034. The Ferry Company will need to know it can afford to pay for the new ferry before placing the order.
- 14.3 The maximum amount that the Ferry Company can borrow is £4,965,022.⁸ That borrowing, in the current economic circumstances, will need to be provided and/or

⁷ These are the same figures from the last public inquiry updated to take into account inflation.

⁸ This is a statutory limit see Bournemouth and Swanage Motor Road and Ferry Act 1986 s.11 (1).

guaranteed by the owner/investors.

14.4 The FRR must, therefore, by the end of March 2032 total some £11,603,784.

14.5 The table below shows the financial situation if the 2021 order is maintained (i.e. if this application is dismissed)

	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
FRR at start of year	8,727,493	8,744,019	10,013,825	10,777,726
Annual contribution	16,526	1,269,806	763,901	1,451,141
FRR at end of year	8,744,019	10,013,825	10,777,726	12,228,867
Cost of New Ferry	16,101,853	16,568,806	17,049,302	17,543,731
Borrowings	4,965,022	4,965,022	4,965,022	4,965,022
Sum needed in FRR	11,136,831	11,603,784	12,084,280	12,578,709
FRR shortfall	2,392,811	1,589,959	1,306,554	349,842

14.6 Even assuming borrowing right up to the maximum permissible by statute, and assuming that such a large loan is obtainable, the shortfall in the FRR (without this application being approved) in 2034, when a new ferry is expected, will be **£349,842**.

15 Return to Investors

15.1 The investors will not receive any return on their investment in the forecast period.

15.2 It is plain that the maintaining the present position would therefore be contrary to the statutory test, which requires the Secretary of State to be satisfied that his decision would not 'be likely to result in the undertaking receiving an annual revenue either substantially less or substantially more than adequate...including...a reasonable return upon the paid up share capital of the undertaking.'

15.3 In 2032 the investors will, in addition, have to provide the necessary security or

guarantee if the Ferry Company is to use its powers to borrow the maximum allowed £4,965,022 to part-fund the purchase of a new ferry.

- 15.4 If the application is approved the Ferry Company could pay a dividend of £252,152 in the FYE 2030. The investors will therefore receive their first return on their investment after 12 years of no return. Thereafter the shareholders would receive modest dividends in those years which were not major refit years, as shown in the financial projections set out as part of this application. Such returns are, on any view, no more than a reasonable return (and likely significantly less) in circumstances where there has been no dividend paid for such a long time, and where those to whom the dividend is paid would shortly thereafter be required to borrow almost £5million to fund the new ferry.

16 Benefits of the Ferry

The Ferry -

- 16.1 provides a convenient means of travel between Swanage and Poole or Bournemouth.
- 16.2 saves circa 8 million road vehicle miles in an average year with important congestion and environmental benefits.
- 16.3 is a popular tourist attraction with consequent benefits to other businesses in the area.
- 16.4 operates a voluntary “blue light” service throughout the night.
- 16.5 makes several more crossings daily than is required under legislation.

17 Conclusion

- 17.1 The forecasts demonstrate that if tolls are not revised as requested then:
- 17.2 in two of the forecast years, major refit years 2027 and 2031, the Ferry Company will make significant losses, adding to the loss incurred in 2023.
- 17.3 There will be insufficient funds to make the necessary contribution to the Ferry Replacement Reserve so that the Ferry can be replaced at the end of its useful life.
- 17.4 in every forecast year, for the foreseeable future, there will be no return at all to the investors.

If however the Ferry Company is permitted to increase its fares by CPI and gradually reduce the discount provided on advance ticket and pass purchases, then it is forecast that: -

- 17.5 The Ferry Company will make a profit in the years prior to the introduction of a new Ferry, including the major refit years of 2027 and 2031. That is to say, its revenue will be adequate to meet its expenditure.
- 17.6 By the early 2030's there will be sufficient funds in the Ferry Replacement Reserve which, together with the Ferry Company's maximum permitted borrowings will produce a sum that is forecasted to be adequate to purchase the new (probably diesel-electric) ferry.
- 17.7 The Company is also forecast by 2030 to be able to pay a return, albeit small, to its investors, which will be the first such payment for 12 years.

APPENDIX 1: ASSUMPTIONS WITHIN THE FORECASTS

1 PROFIT AND LOSS ACCOUNT FORECASTS

1.1 *Income*

1.1.1 The income projections have been based on the average of actual income/traffic volumes for years ended 31 March 2018 and 31 March 2024. This is due to the income and traffic volumes for 2019 to 2023 being affected by exceptional events:

2019 – Extended ferry outage due to drive shaft failure

2020 and 2021 – Effects of Covid-19

2022 and 2023 – Extended ferry outage due to hull damage sustained during towing operation to annual refit

The income figures for 2019 to 2023 were depressed and thus to use these income figures as the basis for extrapolating future years would give unrealistically lower than expected revenues.

The events of the last five years, however, demonstrate that the financial position of the company must be sufficiently robust in the event of an unexpected event.

1.1.2 Appendix 2.1 applies toll fares as detailed in the 2021 Order (which set out fares for the 13 years to 31 March 2032). The income is calculated based upon the toll fares in Appendix 5.1 applied to the average of 2018 and 2024 traffic volumes.

1.1.3 Appendix 2.2 uses proposed tolls as set out in Appendix 5.2 which increase annually with inflation. The starting point for vehicle toll fares in the period commencing 1 April 2024 (FYE 2025) are the starting fares from the 2021 Order indexed for actual RPI to January 2024. Tolls in the same period for pedestrians & cycles are also based on RPI to January 2024 from when they

were previously increased under an order in 2009.

- 1.1.4 Thereafter appendices 2.2 and 5.2 inflate fares by CPI. The rates used for FYE's 2025 to 2029 inclusive are taken from Office for Budget Responsibility forecasts as at May 2024. For the years 2030 to 2040, the forecast for 2029 has been used. The rates are reproduced in Appendices 2.1 and 2.2.
- 1.1.5 Appendices 5.1 and 5.2 provide details of the phased toll increases, as well as the rate of discounts applicable to books of tickets & passes.
- 1.1.6 For refit years, income has been adjusted to reflect a decrease in revenue from ferry closure. Monthly average traffic volumes have been compared for both refit and nonrefit years to calculate the average reduction in income for each traffic class. It was used to arrive at the annual income figures, whereby forecast monthly income in a non-refit year was increased by the average percentages calculated. For a minor refit year, it is assumed the reduction in traffic volumes during the refit period will be one-third that in a major refit year.

1.2 Expenditure

- 1.2.1 In general, expenditure has been forecast using expenditure for 2024 as the base year and increased by RPI per annum. The RPI forecast is taken from the same publication detailed in 1.1.6 above. The rates are reproduced in Appendices 2.1 and 2.2.
- 1.2.2 A review of expenses during the period 2018 to 2024 indicates that costs (excluding ferry refit costs) rose at an average of 4.5% per annum or 58.8% over the period. This cost increase was considerably higher than the CPI increase in the same period which averaged 3.5% per annum and 26.1% over the period. For this reason, the forecast expenditure has been increased by the higher RPI amounts to more closely reflect the reality that increased costs cannot fully be passed on to toll fares.
- 1.2.3 The forecasts assume a new ferry will be purchased and brought into use at 31 March 2034. The cost of the new ferry is estimated to be £17.543m. The forecasts for the years 2035 to 2040 include depreciation (assuming the new ferry will have a useful life of 40 years) and interest on loan finance to assist with the purchase of the ferry. Following the introduction of the new vessel, with the exception of ferry refit costs, all expenses are expected to continue

at the same level as before increasing by RPI.

- 1.2.4 The base cost for ferry repairs and maintenance (excluding the cost of refits) of £208,000 has been arrived at by taking an average of the annual costs incurred in each of the last three financial years and increasing this figure by RPI per annum compounded to arrive at future projected costs. The base cost of ferry repairs and maintenance is forecast to remain at these levels once the new ferry is brought into use.
- 1.2.5 The cost of a refit includes the costs of removing the ferry from the chains, towage to and from the ship repair yard, classification survey fees, docking and mooring charges and professional fees. The refit cost in 2023 was £2.273m which was exceptional and it is assumed that the base cost of a major refit is £1.2m (being the indexed cost of the 2019 major refit) and a mini refit being one-third the cost of a major refit i.e. £400k. These amounts have been increased by RPI per annum compounded to arrive at future refit costs for the financial year ending 31 March 2025 and biennially thereafter. Following the purchase of the new ferry, it is expected that a minor refit will be required after two years in operation and a major refit two years after that. The company will then continue the present cycle of refits every other year. It is forecast that refit costs will decrease by 8% as a consequence of operating a new ferry.
- 1.2.6 Major repairs to the slipways were carried out in the financial year ended 31 March 2015. Due to the major repairs, it has been assumed that only future annual slipway repairs and maintenance will arise, with no exceptional costs.
- 1.2.7 Depreciation has been calculated in accordance with the Company's accounting policy for depreciation, as recorded in its audited financial statements. No additions have been included, other than the new ferry.
- 1.2.8 The company no longer pays management charges to its holding company. All income and expenditure is solely accounted for in the company.
- 1.2.9 Interest payable on loan finance is forecast at bank base rate plus 4.5%. Bank base rate is assumed to reduce to 3.7% by 2027 and remain at this level until 2040.

1.3 Other Income

1.3.1 Other Income has been calculated using the 2024 figure plus inflation every year. The 4 year period 2025 to 2028 includes an additional £50,000pa in relation to an anticipated exceptional contract. Figures in recent years have included exceptional income from insurance claims and Covid-19 support.

1.4 Dividends

1.4.1 The stated dividend policy is that no dividends will be paid unless the Ferry Replacement Reserve (FRR) at any given time plus £4,965,022 (being the maximum amount the company can borrow net of long term creditors) exceeds the forecast cost of a new ferry (at that same given time) and that the total dividends paid in any year do not exceed 6% of the then net asset value.

1.4.2 No provision has been made for the £3,675 dividend relating to non-equity preference shares as it is considered immaterial.

1.4.3 In the no toll increase scenario, the company will not reach a point where the FRR reserve plus finance exceeds the forecast cost of a new ferry. Consequently, no dividends can be paid within the foreseeable future.

1.4.4 In the toll increase scenario, the first year the company could pay a dividend is the year ending 31 March 2030. Appendix 4.2 details the return on investment for each year. This ranges from 0.0% to 3.4%. At no time does the return on investment exceed 3.4%. No return on investment is forecast until 2030. The average return on investment is 1.2% over the forecast period.

1.5 Calculation of Transfers to the Ferry Replacement Reserve

1.5.1 Allowing for cost rises over the period, it is projected that the replacement cost of the ferry at 31 March 2034 will be £17.543m .

1.5.2 Therefore, assuming £4.965m will be raised externally, the value of the Ferry Replacement Reserve at 31 March 2034 will need to be £12.578m, an increase of £8.082m over the period (from £4.496m). Thus the Company will need to transfer an average of £808k per annum over the next 10 years to be on target to replace the ferry.

1.5.3 The calculations at the foot of Appendices 2.1 and 2.2 show the transfers

made to this Reserve and the resulting cumulative shortfall or surplus.

Cash Flow

- 1.6 Corporation tax will be paid quarterly at the rate of 25%. The payments are based on the estimated profits for the financial year. The first payment in respect of a given financial year is seven months after the start of that year. It is assumed that the new ferry will qualify as a long life asset for corporation tax capital allowances and 6% writing down allowances will be claimed.

Balance Sheet Forecasts

1.7 *Fixed Assets*

- 1.7.1 It is the Company's policy to revalue its fixed assets periodically. The last revaluation was on 31 March 2015. The forecasts are based on that last revaluation, as the directors are advised that the current value of its assets is not dissimilar to the last valuation.

1.8 *Deferred Tax*

- 1.8.1 Deferred tax has not been calculated for future years as any change does not affect cash and is assumed to be immaterial in the context of total net assets.

1.9 *Reserves*

- 1.9.1 A proportion of the depreciation charge for the ferry relates to the revaluation noted above. In order that distributable reserves are not affected by this revaluation, this proportion of the depreciation charge is written back from the Revaluation Reserve (thereby reducing its value) to the Profit and Loss Reserve. For the ten years shown in these forecasts, this amount is approximately £86.3k per annum until the ferry is fully depreciated in 2034.

DISCOUNTS

- 1.10 The average discount figures which appear at paragraph 10.2.2 of the explanatory memorandum are calculated on the basis of cash tolls, which are factual, minus the average paid per car (APPC) . The APPC figure is total number of journeys divided by revenue earned.

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.
Appendix 2.1

Forecast Profit and Loss Accounts for 16 years to 31st March 2040 (in line with increases approved under The 2021 Order)

	Actual per audited accounts							Forecast																
	2018 £	2019 £	2020 £	2021 £	2022 £	2023 £	2024 £	2025 £	2026 £	2027 £	2028 £	2029 £	2030 £	2031 £	2032 £	2033 £	2034 £	2035 £	2036 £	2037 £	2038 £	2039 £	2040 £	
CPI	2.50%	1.80%	1.50%	0.70%	7.00%	10.10%	2.90%	1.60%	1.60%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
RPI	3.30%	2.60%	1.50%	4.00%	1.60%	8.90%	3.90%	2.40%	2.20%	2.60%	3.00%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	
SALES																								
Class A (Foot passenger)							75,341	78,681	80,004	81,072	77,868	81,072	80,004	81,072	77,868	81,072	80,004	81,072	80,004	81,072	77,868	81,072	81,072	
Class B/C (Bikes & motorcycles)							100,180	113,127	108,727	111,346	103,489	111,346	108,727	111,346	105,450	111,346	108,727	111,346	108,727	111,346	103,489	111,346	111,346	
Class F (car)							2,156,855	3,004,846	2,955,709	3,079,001	2,982,967	3,307,077	3,346,089	3,563,662	3,624,611	3,848,757	3,764,353	3,848,757	3,848,757	3,764,353	3,848,757	3,595,546	3,848,757	
Class G (Truck) ex. VAT							63,081	113,732	130,486	138,642	126,061	148,911	147,719	160,464	160,762	173,302	166,184	173,302	173,302	166,184	173,302	151,949	173,302	
Coach & Bus							5,118	3,969	4,112	4,252	4,215	4,568	4,656	4,923	5,274	5,317	5,239	5,317	5,239	5,317	5,082	5,317	5,317	
Toll Road							-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Sales	3,130,862	2,508,443	1,702,897	1,855,873	3,049,698	2,400,575	3,314,355	3,279,038	3,414,312	3,294,600	3,652,973	3,687,195	3,921,467	3,973,965	4,219,793	4,124,507	4,219,793	4,219,794	4,219,793	4,124,507	4,219,793	3,933,934	4,219,793	
DIRECT COSTS																								
Ferry Harbour Dues	1,272	1,272	1,272	1,272	1,454	1,454	1,454	1,489	1,522	1,561	1,608	1,655	1,703	1,752	1,803	1,855	1,909	1,964	2,021	2,080	2,140	2,202	2,266	
Ferry Wages (incl. Er's NIC)	710,613	724,079	706,023	756,974	805,008	906,090	1,000,173	1,024,177	1,046,709	1,073,923	1,106,141	1,138,219	1,171,228	1,205,193	1,240,144	1,276,108	1,313,115	1,351,195	1,390,380	1,430,701	1,472,192	1,514,885	1,558,817	
Staff recruitment costs	-	-	-	7,650	4,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ferry repairs & maintenance - regular	112,230	155,000	544,077	165,000	212,761	175,000	236,557	212,992	217,678	223,337	230,038	236,709	243,573	250,637	257,905	265,385	273,081	281,000	289,149	297,534	306,163	315,042	324,178	
Ferry repairs & maintenance - refit costs	-	932,367	-	321,585	-	2,273,063	-	425,574	-	1,338,736	-	472,962	-	1,502,375	-	530,259	-	546,937	-	546,937	-	1,737,357	-	
Ferry consumable stores	74,888	77,883	61,491	68,231	106,041	117,017	117,699	120,524	123,175	126,378	130,169	133,944	137,828	141,826	145,938	150,171	154,526	159,007	163,618	168,363	173,245	178,270	183,439	
Ferry insurance	35,201	27,770	32,792	105,532	110,561	89,586	104,271	41,175	42,081	43,175	44,470	45,760	47,087	48,452	49,858	51,303	52,791	54,322	55,898	57,519	59,187	60,903	62,669	
Slipways repairs & maintenance - regular	7,622	21,499	17,877	11,065	15,971	21,520	8,552	8,757	8,950	9,183	9,458	9,732	10,015	10,305	10,604	10,911	11,228	11,553	11,888	12,233	12,588	12,953	13,329	
Road repairs & maintenance - regular	4,839	7,092	2,438	5,515	20,140	7,280	5,599	5,733	5,860	6,012	6,192	6,372	6,557	6,747	6,942	7,144	7,351	7,564	7,783	8,009	8,241	8,480	8,726	
Buildings repairs & maintenance	11,742	7,544	28,931	16,982	19,270	32,352	12,459	12,758	13,039	13,378	13,779	14,179	14,590	15,013	15,448	15,896	16,357	16,832	17,320	17,822	18,339	18,871	19,418	
Depreciation	177,220	101,072	101,111	101,203	101,472	103,426	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	473,896	473,896	473,896	473,896	473,896	473,896	
Total Direct Costs	1,135,627	2,055,578	1,496,012	1,561,009	1,396,982	3,726,788	1,589,924	1,956,340	1,562,173	2,938,843	1,645,016	2,162,691	1,735,740	3,285,460	1,831,803	2,412,192	1,933,518	2,357,334	2,411,954	3,015,095	2,525,991	4,322,859	2,646,739	
OVERHEADS																								
Wages & salaries	114,783	121,452	61,128	106,212	148,063	152,907	179,570	183,880	187,925	192,811	198,595	204,355	210,281	216,379	222,654	229,111	235,755	242,592	249,627	256,867	264,316	271,981	279,868	
Staff pension costs	25,712	30,121	33,793	33,498	34,699	31,327	33,269	34,067	34,817	35,722	36,794	37,861	38,959	40,089	41,251	42,447	43,678	44,945	46,249	47,590	48,970	50,390	51,851	
Directors remuneration	-	-	59,876	25,100	55,300	132,814	139,721	143,074	146,222	150,024	154,524	159,006	163,617	168,362	173,244	178,268	183,438	188,758	194,232	199,864	205,660	211,625	217,762	
Rates	144,825	65,933	84,169	(7,110)	89,931	89,925	124,714	127,707	130,517	133,910	137,927	141,927	146,043	150,278	154,637	159,121	163,736	168,484	173,370	178,398	183,571	188,895	194,373	
Management charges	158,701	171,803	166,795	194,792	130,674	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	11,836	20,807	24,502	27,999	47,886	60,225	106,238	108,788	111,181	114,072	117,494	120,901	124,407	128,015	131,728	135,548	139,479	143,523	147,686	151,969	156,376	160,911	165,577	
Light & heat	6,079	5,133	4,645	9,853	7,257	5,509	6,714	6,875	7,026	7,209	7,425	7,641	7,862	8,090	8,325	8,566	8,815	9,070	9,333	9,604	9,883	10,169	10,464	
Tickets	5,580	2,321	10,194	(2,534)	5,444	594	38	39	40	41	42	43	44	46	47	48	50	51	53	54	56	58	59	
Printing, postage and stationery	5,762	4,195	5,555	4,948	6,321	9,112	5,248	5,374	5,492	5,635	5,804	5,972	6,146	6,324	6,507	6,696	6,890	7,090	7,295	7,507	7,725	7,949	8,179	
Advertising and Public Relations	45	45	1,713	45	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Telephone	4,266	3,297	4,206	5,090	6,461	3,608	3,635	3,722	3,804	3,903	4,020	4,137	4,257	4,380	4,507	4,638	4,772	4,911	5,053	5,200	5,350	5,506	5,665	
Motor running expenses	5,912	16,413	24,499	6,624	13,871	13,447	9,819	10,055	10,276	10,543	10,859	11,174	11,498	11,832	12,175	12,528	12,891	13,265	13,650	14,046	14,453	14,872	15,303	
Legal and professional fees	17,269	49,470	53,775	118,333	25,377	25,701	109,046	39,983	40,863	41,925	43,183	44,435	45,724	47,050	48,414	49,818	51,263	52,750	54,279	55,853	57,473	59,140	60,855	
Audit	11,000	11,325	11,665	11,985	12,880	21,135	34,450	35,277	36,053	36,990	38,100	39,205	40,342	41,512	42,716	43,954	45,229	46,541	47,890	49,279	50,708	52,179	53,692	
Bank charges	14,457	15,699	19,714	19,289	32,892	27,401	43,795	44,846	45,833	47,024	48,435	49,840	51,285	52,772	54,303	55,877	57,498	59,165	60,881	62,647	64,463	66,333	68,257	
Bad & Doubtful Debts	-	-	-	-	-	-	49,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accommodation and subsistence	-	-	-	-	799	4,694	2,225	2,278	2,329	2,389	2,461	2,532	2,606	2,681	2,759	2,839	2,921	3,006	3,093	3,183	3,275	3,370	3,468	
Sundry expenses	28,619	32,096	31,167	32,334	50,543	43,209	67,403	69,021	70,539	72,373	74,544	76,706	78,931	81,220	83,575	85,999	88,493	91,059	93,700	96,417	99,213	102,090	105,051	
Total Overheads	554,846	550,110	597,396	586,458	668,728	621,608	915,643	814,986	832,916	854,572	880,209	905,735	932,001	959,029	986,841	1,015,460	1,044,908	1,075,210	1,106,391	1,138,477	1,171,492	1,205,466	1,240,424	
Other income	42,854	82,264	1,269,662	103,143	38,634	1,181,985	26,907	77,553	78,159	78,778	79,412	30,059	30,930	31,827	32,750	33,7								

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 2.2

Forecast Profit and Loss Accounts for 16 years to 31st March 2040 (assuming this application is approved)

	Actual per audited accounts																							
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
CPI	2.50%	1.80%	1.50%	0.70%	7.00%	10.10%	2.90%	1.60%	1.60%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
RPI	3.30%	2.60%	1.50%	4.00%	1.60%	8.90%	3.90%	2.40%	2.20%	2.60%	3.00%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	
SALES																								
Class A (Foot passenger)						75,341	78,681	140,007	143,496	140,161	148,360	149,605	154,845	151,061	160,519	161,605	167,004	171,058	174,301	175,204	180,786	177,535	188,082	
Class B/C (Bikes & motorcycles)						100,180	113,127	190,273	197,082	186,279	203,764	203,320	212,671	200,767	220,464	219,628	229,372	234,940	239,394	238,112	248,301	235,952	258,321	
Class F (car)						2,156,855	3,004,846	3,241,705	3,394,118	3,246,087	3,561,520	3,584,922	3,736,460	3,562,187	3,889,637	3,879,246	4,048,247	4,124,835	4,206,933	4,200,285	4,381,992	4,175,470	4,557,051	
Class G (Truck) ex. VAT						63,081	113,732	157,143	166,880	148,964	173,193	169,766	180,605	161,479	187,871	183,829	195,534	199,366	203,330	198,906	211,654	189,282	220,110	
Coach & Bus						5,118	3,969	4,953	5,120	4,983	5,315	5,353	5,543	5,403	5,765	6,001	6,118	6,118	6,240	6,272	6,495	6,332	6,753	
Toll Road								51,333	52,153	52,973	53,875	54,941	56,007	57,155	58,303	59,451	60,681	61,829	63,059	64,371	65,683	66,995	68,307	
Total Sales	3,130,862	2,508,443	1,702,897	1,855,873	3,049,698	2,400,575	3,314,355	3,785,414	3,958,849	3,779,447	4,146,027	4,167,907	4,346,131	4,138,052	4,522,559	4,509,556	4,706,839	4,798,146	4,893,257	4,883,150	5,094,911	4,851,566	5,298,624	
DIRECT COSTS																								
Ferry Harbour Dues	1,272	1,272	1,272	1,272	1,454	1,454	1,454	1,489	1,522	1,561	1,608	1,655	1,703	1,752	1,803	1,855	1,909	1,964	2,021	2,080	2,140	2,202	2,266	
Ferry Wages (incl. Er's NIC)	710,613	724,079	706,023	756,974	805,008	906,090	1,000,173	1,024,177	1,046,709	1,073,923	1,106,141	1,138,219	1,171,228	1,205,193	1,240,144	1,276,108	1,313,115	1,351,195	1,390,380	1,430,701	1,472,192	1,514,885	1,558,817	
Staff recruitment costs	-	-	-	7,650	4,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ferry repairs & maintenance - regular	112,230	155,000	544,077	165,000	212,761	175,000	236,557	212,992	217,678	223,337	230,038	236,709	243,573	250,637	257,905	265,385	273,081	281,000	289,149	297,534	306,163	315,042	324,178	
Ferry repairs & maintenance - refit costs	-	932,367	-	321,585	-	2,273,063	-	425,574	-	1,338,736	-	472,962	-	1,502,375	-	530,259	-	-	-	546,937	-	1,737,357	-	
Ferry consumable stores	74,888	77,883	61,491	68,231	106,041	117,017	117,699	120,524	123,175	126,378	130,169	133,944	137,828	141,826	145,938	150,171	154,526	159,007	163,618	168,363	173,245	178,270	183,439	
Ferry insurance	35,201	27,770	32,792	105,532	110,561	89,586	104,271	41,175	42,081	43,175	44,470	45,760	47,087	48,452	49,858	51,303	52,791	54,322	55,898	57,519	59,187	60,903	62,669	
Slipways repairs & maintenance - regular	7,622	21,499	17,877	11,065	15,971	21,520	8,552	9,175	10,065	9,183	9,458	9,732	10,015	10,305	10,604	10,911	11,228	11,553	11,888	12,233	12,588	12,953	13,329	
Road repairs & maintenance - regular	4,839	7,092	2,438	5,515	20,140	7,280	5,599	5,733	5,860	6,012	6,192	6,372	6,557	6,747	6,942	7,144	7,351	7,564	7,783	8,009	8,241	8,480	8,726	
Buildings repairs & maintenance	11,742	7,544	28,931	16,982	19,270	32,352	12,459	12,758	13,039	13,378	13,779	14,179	14,590	15,013	15,448	15,896	16,357	16,832	17,320	17,822	18,339	18,871	19,418	
Depreciation	177,220	101,072	101,111	101,203	101,472	103,426	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	
Total Direct Costs	1,135,627	2,055,578	1,496,012	1,561,009	1,396,982	3,726,788	1,589,924	1,956,340	1,562,173	2,938,843	1,645,016	2,162,691	1,735,740	3,285,460	1,831,803	2,412,192	1,933,518	2,357,334	2,411,954	3,015,095	2,525,991	4,322,859	2,646,739	
OVERHEADS																								
Wages & salaries	114,783	121,452	61,128	106,212	148,063	152,907	179,570	183,880	187,925	192,811	198,595	204,355	210,281	216,379	222,654	229,111	235,755	242,592	249,627	256,867	264,316	271,981	279,868	
Staff pension costs	25,712	30,121	33,793	33,498	34,699	31,327	33,269	34,067	34,817	35,722	36,794	37,861	38,959	40,089	41,251	42,447	43,678	44,945	46,249	47,590	48,970	50,390	51,851	
Directors remuneration	-	-	59,876	25,100	55,300	132,814	139,721	143,074	146,222	150,024	154,524	159,006	163,617	168,362	173,244	178,268	183,438	188,758	194,232	199,864	205,660	211,625	217,762	
Rates	144,825	65,933	84,169	(7,110)	89,931	89,925	124,714	127,707	130,517	133,910	137,927	141,927	146,043	150,278	154,637	159,121	163,736	168,484	173,370	178,398	183,571	188,895	194,373	
Management charges	158,701	171,803	166,795	194,792	130,674	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	11,836	20,807	24,502	27,999	47,886	60,225	106,238	108,788	111,181	114,072	117,494	120,901	124,407	128,015	131,728	135,548	139,479	143,523	147,686	151,969	156,376	160,911	165,577	
Light & heat	6,079	5,133	4,645	9,853	7,257	5,509	6,714	6,875	7,026	7,209	7,425	7,641	7,862	8,090	8,325	8,566	8,815	9,070	9,333	9,604	9,883	10,169	10,464	
Tickets	5,580	2,321	10,194	(2,534)	5,444	594	38	39	40	41	42	43	44	46	47	48	50	51	53	54	56	58	59	
Printing, postage and stationery	5,762	4,195	5,555	4,948	6,321	9,112	5,248	5,374	5,492	5,635	5,804	5,972	6,146	6,324	6,507	6,696	6,890	7,090	7,295	7,507	7,725	7,949	8,179	
Advertising and Public Relations	45	45	1,713	45	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Telephone	4,266	3,297	4,206	5,090	6,461	3,608	3,635	3,722	3,804	3,903	4,020	4,137	4,257	4,380	4,507	4,638	4,772	4,911	5,053	5,200	5,350	5,506	5,665	
Motor running expenses	5,912	16,413	24,499	6,624	13,871	13,447	9,819	10,055	10,276	10,543	10,859	11,174	11,498	11,832	12,175	12,528	12,891	13,265	13,650	14,046	14,453	14,872	15,303	
Legal and professional fees	17,269	49,470	53,775	118,333	25,377	25,701	109,046	39,983	40,863	41,925	43,183	44,435	45,724	47,050	48,414	49,818	51,264	52,750	54,279	55,853	57,473	59,140	60,855	
Audit	11,000	11,325	11,665	11,985	12,880	21,135	34,450	35,277	36,053	36,990	38,100	39,205	40,342	41,512	42,716	43,954	45,229	46,541	47,890	49,279	50,708	52,179	53,692	
Bank charges	14,457	15,699	19,714	19,289	32,892	27,401	43,795	44,846	45,833	47,024	48,435	49,840	51,285	52,772	54,303	55,877	57,498	59,165	60,881	62,647	64,463	66,333	68,257	
Bad & Doubtful Debts	-	-	-	-	-	-	49,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accommodation and subsistence	-	-	-	-	799	4,694	2,225	2,278	2,329	2,389	2,461	2,532	2,606	2,681	2,759	2,839	2,921	3,006	3,093	3,183	3,275	3,370	3,468	
Sundry expenses	28,619	32,096	31,167	32,334	50,543	43,209	67,403	69,021	70,539	72,373	74,544	76,706	78,931	81,220	83,575	85,999	88,493	91,059	93,700	96,417	99,213	102,090	105,051	
Total Overheads	554,846	550,110	597,396	586,458	668,728	621,608	915,643	814,986	832,916	854,572	880,209	905,735	932,001	959,029	986,841	1,015,460	1,044,908	1,075,210	1,106,391	1,138,477	1,171,492	1,205,466	1,240,424	
Other income	42,854	82,264	1,269,662	103,143	38,634	1,181,985	26,907	77,553	78,159	78,778	79,412	30,059	30,930	31,827	32,750	33,700	34,677	35,683	36,718	37,783	38,878	40,006	41,166	
Operating profit	1,483,243	(14,981)	879,151	(188,451)	1,022,622	(765,836)	835,695	1,091,641	1,641,919	64,811	1,700,214	1,129,539	1,709,320	(74,610)	1,736,666	1,115,604	1,763,091	1,401,285	1,411,630	767,361	1,436,306	(636,753)	1,452,627	
Interest payable (inc loan finance)	-	-	-	-	-	-	(3,046)	-	-	-	-	-	-	-	-	-	-	(382,307)	(373,671)	(364,370)	(354,353)	(343,564)	(331,945)	
Current account Interest received (paid)	125	20,397	25,921	30,985	37,656	44,687	7																	

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 3.1

Forecast Year end Balance Sheet for 16 years to 31st March 2040 (in line with increases approved under The 2021 Order)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Fixed Assets	13,063,418	12,960,258	12,857,098	12,753,938	12,650,778	12,547,618	12,444,458	12,341,298	12,238,138	12,134,978	29,575,549	29,101,653	28,627,757	28,153,861	27,679,964	27,206,068	26,732,172
Current Assets																	
Other debtors	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101
Stocks	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141
Trade debtors	14,283	6,558	6,829	6,589	7,306	7,374	7,843	7,948	8,440	8,249	8,440	8,440	8,440	8,249	8,440	7,868	8,440
Stocks & Debtors	610,525	602,800	603,071	602,831	603,548	603,616	604,085	604,190	604,682	604,491	604,682	604,682	604,682	604,491	604,682	604,110	604,682
Cash at Bank	4,044,122	4,430,461	5,394,138	5,120,967	6,202,912	7,006,474	8,178,848	8,108,081	9,417,442	10,324,507	(930,010)	6,361	648,033	712,382	1,260,358	(295,139)	25,174
	4,654,647	5,033,261	5,997,209	5,723,799	6,806,460	7,610,090	8,782,933	8,712,270	10,022,124	10,928,998	(325,328)	611,042	1,252,715	1,316,873	1,865,039	308,970	629,856
Creditors: Amounts Falling Due Within One Year																	
Trade Creditors and Accruals	489,916	73,084	74,110	75,348	76,814	78,274	79,776	81,322	82,912	84,549	86,233	87,966	89,749	91,583	93,472	95,414	97,413
Corporation Tax	80,589	285,687	265,132	139,138	153,097	288,929	303,802	198,295	219,979	344,542	199,328	-	(69,215)	-	-	-	-
	570,505	358,771	339,241	214,486	229,911	367,203	383,578	279,616	302,891	429,091	285,560	87,966	20,534	91,583	93,472	95,414	97,413
Net Current Assets	4,084,142	4,674,490	5,657,967	5,509,313	6,576,549	7,242,887	8,399,355	8,432,654	9,719,233	10,499,907	(610,888)	523,077	1,232,181	1,225,290	1,771,568	213,556	532,442
Total Assets Less Current Liabilities	17,147,560	17,634,748	18,515,065	18,263,251	19,227,327	19,790,505	20,843,813	20,773,952	21,957,371	22,634,885	28,964,661	29,624,730	29,859,938	29,379,150	29,451,532	27,419,624	27,264,614
Creditors: Amounts Falling Due After One Year																	
Other creditors	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)
Loan finance	-	-	-	-	-	-	-	-	-	-	(4,965,022)	(4,852,867)	(4,732,077)	(4,601,985)	(4,461,876)	(4,310,979)	(4,148,462)
Provisions For Liabilities & Charges																	
Deferred Tax	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)
	16,551,718	17,038,906	17,919,223	17,667,409	18,631,485	19,194,663	20,247,971	20,178,110	21,361,529	22,039,043	23,403,797	24,176,021	24,532,019	24,181,323	24,393,814	22,512,803	22,520,310
Capital & Reserves																	
Called Up Share Capital	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Revaluation Reserve	11,994,764	11,891,413	11,805,026	11,718,639	11,632,252	11,545,865	11,459,478	11,373,091	11,286,704	11,200,317	11,113,930	11,027,543	10,941,156	10,854,769	10,768,382	10,681,995	10,595,608
Ferry Replacement Reserve	4,495,954	5,086,493	6,053,197	5,887,770	6,938,233	7,587,798	8,727,493	8,744,019	10,013,825	10,777,726	12,228,867	13,087,478	13,529,863	13,265,554	13,564,432	11,769,808	11,863,702
Profit & Loss Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Funds	16,551,718	17,038,906	17,919,223	17,667,409	18,631,485	19,194,663	20,247,971	20,178,110	21,361,529	22,039,043	23,403,797	24,176,021	24,532,019	24,181,323	24,393,814	22,512,803	22,520,310

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 3.2

Forecast Year End Balance Sheets for the 16 Years to 31 March 2040 (Assuming an Increase in Toll Charges)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Fixed Assets	13,063,418	12,960,258	12,857,098	12,753,938	12,650,778	12,547,618	12,444,458	12,341,298	12,238,138	12,134,978	29,575,549	29,101,653	28,627,757	28,153,861	27,679,964	27,206,068	26,732,172
Current Assets																	
Other debtors	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101	140,101
Stocks	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141	456,141
Trade debtors	14,283	7,571	7,918	7,559	8,292	8,336	8,692	8,276	9,045	9,019	9,414	9,596	9,787	9,766	10,190	9,703	10,597
Stocks & Debtors	610,525	603,813	604,160	603,801	604,534	604,578	604,934	604,518	605,287	605,261	605,656	605,838	606,029	606,008	606,432	605,945	606,839
Cash at Bank	4,044,122	4,872,527	6,322,268	6,428,028	7,897,091	9,090,755	10,257,105	10,305,692	11,076,912	11,726,874	36,291	683,822	1,175,761	1,598,846	2,402,149	2,033,756	3,281,379
	4,654,647	5,476,340	6,926,428	7,031,829	8,501,625	9,695,333	10,862,039	10,910,211	11,682,199	12,332,135	641,946	1,289,660	1,781,789	2,204,854	3,008,581	2,639,701	3,888,218
Creditors: Amounts Falling Due Within One Year																	
Trade Creditors and Accruals	489,916	73,084	74,110	75,348	76,814	78,274	79,776	81,322	82,912	84,549	86,233	91,583	93,472	95,414	97,413	26,479	26,479
Corporation Tax	80,589	348,984	397,877	271,744	281,482	418,904	427,364	283,336	290,095	441,126	316,760	-	-	-	-	-	-
	570,505	422,068	471,987	347,092	358,296	497,178	507,140	364,657	373,007	525,675	402,992	91,583	93,472	95,414	97,413	26,479	26,479
Net Current Assets	4,084,142	5,054,272	6,454,441	6,684,736	8,143,329	9,198,155	10,354,899	10,545,553	11,309,192	11,806,461	238,954	1,198,077	1,688,318	2,109,440	2,911,168	2,613,222	3,861,739
Total Assets Less Current Liabilities	17,147,560	18,014,530	19,311,539	19,438,674	20,794,107	21,745,773	22,799,357	22,886,851	23,547,330	23,941,439	29,814,503	30,299,730	30,316,075	30,263,301	30,591,132	29,819,290	30,593,911
Creditors: Amounts Falling Due After One Year																	
Other creditors	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)	(34,978)
Loan finance	-	-	-	-	-	-	-	-	-	-	(4,965,022)	(4,852,867)	(4,732,077)	(4,601,985)	(4,461,876)	(4,310,979)	(4,148,462)
Provisions For Liabilities & Charges																	
Deferred Tax	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)	(560,864)
	16,551,718	17,418,688	18,715,697	18,842,832	20,198,265	21,149,931	22,203,515	22,291,009	22,951,488	23,345,597	24,253,639	24,851,021	24,988,156	25,065,474	25,533,414	24,912,469	25,849,607
Capital & Reserves																	
Called Up Share Capital	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Revaluation Reserve	11,994,764	11,891,413	11,805,026	11,718,639	11,632,252	11,545,865	11,459,478	11,373,091	11,286,704	11,200,317	11,113,930	11,027,543	10,941,156	10,854,769	10,768,382	10,681,995	10,595,608
Ferry Replacement Reserve	4,495,954	5,466,275	6,849,671	7,063,193	8,505,013	9,543,066	10,683,037	10,856,918	11,603,784	12,084,280	13,078,709	13,762,478	13,986,000	14,149,705	14,704,032	14,169,474	15,192,999
Profit & Loss Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders' Funds	16,551,718	17,418,688	18,715,697	18,842,832	20,198,265	21,149,931	22,203,515	22,291,009	22,951,488	23,345,597	24,253,639	24,851,021	24,988,156	25,065,474	25,533,414	24,912,469	25,849,607

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 4.1

Forecast dividends and returns on investment (in line with increases approved under The 2021 Order)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Forecast:																
Total net assets	17,038,906	17,919,223	17,667,409	18,631,485	19,194,663	20,247,971	20,178,110	21,361,529	22,039,043	23,403,797	24,176,021	24,532,019	24,181,323	24,393,814	22,512,803	22,520,310
Turnover	3,279,038	3,414,312	3,294,600	3,652,973	3,687,195	3,921,467	3,973,965	4,219,793	4,124,507	4,219,793	4,219,794	4,219,793	4,124,507	4,219,793	3,933,934	4,219,793
Profit after tax	504,152	880,318	(251,814)	964,076	563,178	1,053,308	(69,861)	1,183,419	677,514	1,364,754	889,752	355,999	(350,696)	212,490	(1,881,010)	7,507
Transfer to Ferry Replacement Reserve	(504,152)	(880,318)	251,814	(964,076)	(563,178)	(1,053,308)	69,861	(1,183,419)	(677,514)	(1,364,754)	(772,224)	(355,999)	350,696	(212,490)	1,881,010	(7,507)
Profit available for distribution	-	-	-	-	-	-	-	-	-	-	117,528	-	-	-	-	-
Return on Investment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecast dividends	0	0	0	0	0	0	0	0	0	0	117,528	0	0	0	0	0
Forecast dividends as a %age of total NA's	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecast dividends as a %age of turnover	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 4.2

Forecast dividends and returns on investment (assuming this application is approved).

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Forecast:																
Total net assets	17,418,688	18,715,697	18,842,832	20,198,265	21,149,931	22,203,515	22,291,009	22,951,488	23,345,597	24,253,639	24,851,021	24,988,156	25,065,474	25,533,414	24,912,469	25,849,607
Turnover	3,785,414	3,958,849	3,779,447	4,146,027	4,167,907	4,346,131	4,138,052	4,522,559	4,509,556	4,706,839	4,798,146	4,893,257	4,883,150	5,094,911	4,851,566	5,298,624
Profit after tax	883,934	1,297,009	127,135	1,355,433	951,666	1,406,198	87,495	1,446,753	993,682	1,753,177	893,724	903,803	421,743	924,830	-620,945	937,138
Transfer to Ferry Replacement Reserve	(883,934)	(1,297,009)	(127,135)	(1,355,433)	(951,666)	(1,053,583)	(87,495)	(660,479)	(394,108)	(908,043)	(597,381)	(137,135)	(77,318)	(467,940)	620,945	(937,138)
Profit available for distribution	-	-	-	-	-	352,614	-	786,274	599,574	845,134	296,343	766,667	344,425	456,890	-	-
Return on Investment	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	3.4%	2.6%	3.5%	1.2%	3.1%	1.4%	1.8%	0.0%	0.0%
Forecast dividends	0	0	0	0	0	352,614	0	786,274	599,574	845,134	296,343	766,667	344,425	456,890	0	0
Forecast dividends as a %age of total NA's	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	3.4%	2.6%	3.5%	1.2%	3.1%	1.4%	1.8%	0.0%	0.0%
Forecast dividends as a %age of turnover	0.0%	0.0%	0.0%	0.0%	0.0%	8.1%	0.0%	17.4%	13.3%	18.0%	6.2%	15.7%	7.1%	9.0%	0.0%	0.0%

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

Appendix 5

Summary of costs for six years for 2019 to 2024 (excluding depreciation)

	2018	2019	2020	2021	2022	2023	2024	Average annual increase / (decrease) (%)	Total increase / (decrease) from 2018 to 2024 (%)
	£	£	£	£	£	£	£		
DIRECT COSTS									
Ferry Harbour Dues	1,272	1,272	1,272	1,272	1,454	1,454	1,454	2.3%	14.3%
Direct Wages	710,613	724,079	706,023	756,974	805,008	906,090	1,000,173	4.1%	40.7%
Staff recruitment costs	-	-	-	7,650	4,304	-	-		
Ferry repairs & maintenance - day to day	112,230	155,000	544,077	165,000	212,761	175,000	236,557	7.7%	110.8%
Ferry consumable stores	74,888	77,883	61,491	68,231	106,041	117,017	117,699	7.7%	57.2%
Ferry insurance	35,201	27,770	32,792	105,532	110,561	89,586	104,271	16.8%	196.2%
Slipways repairs & maintenance - regular	7,622	21,499	17,877	11,065	15,971	21,520	8,552	18.9%	12.2%
Road repairs & maintenance	4,839	7,092	2,438	5,515	20,140	7,280	5,599	7.0%	15.7%
Buildings repairs & maintenance	11,742	7,544	28,931	16,982	19,270	32,352	12,459	18.4%	6.1%
Total Direct Costs	958,407	1,022,139	1,394,901	1,138,221	1,295,510	1,350,299	1,486,764	5.9%	55.1%
OVERHEADS									
Wages & salaries	114,783	121,452	61,128	106,212	148,063	152,907	179,570	4.9%	56.4%
Staff pension costs	25,712	30,121	33,793	33,498	34,699	31,327	33,269	3.3%	29.4%
Directors remuneration	-	-	59,876	25,100	55,300	132,814	139,721		
Rates	144,825	65,933	84,169	(7,110)	89,931	89,925	124,714	(7.6%)	(13.9%)
Management charges	158,701	171,803	166,795	194,792	130,674	-	-	(100.0%)	(100.0%)
Insurance	11,836	20,807	24,502	27,999	47,886	60,225	106,238	31.1%	797.6%
Light & heat	6,079	5,133	4,645	9,853	7,257	5,509	6,714	(1.6%)	10.4%
Tickets	5,580	2,321	10,194	(2,534)	5,444	594	38	(31.2%)	(99.3%)
Printing, postage and stationery	5,762	4,195	5,555	4,948	6,321	9,112	5,248	7.9%	(8.9%)
Advertising	45	45	1,713	45	330	-	-	(100.0%)	(100.0%)
Telephone	4,266	3,297	4,206	5,090	6,461	3,608	3,635	(2.8%)	(14.8%)
Motor running expenses	5,912	16,413	24,499	6,624	13,871	13,447	9,819	14.7%	66.1%
Legal and professional fees	17,269	49,470	53,775	118,333	25,377	25,701	109,046	6.9%	531.5%
Audit fees	11,000	11,325	11,665	11,985	12,880	21,135	34,450	11.5%	213.2%
Bank charges	14,457	15,699	19,714	19,289	32,892	27,401	43,795	11.2%	202.9%
Bad & Doubtful debts	-	-	-	-	-	-	49,758		
Accommodation and subsistence	-	-	-	-	799	4,694	2,225		
Sundry expenses	28,619	32,096	31,167	32,334	50,543	43,209	67,403	7.1%	135.5%
Total Overheads	554,846	550,110	597,396	586,458	668,728	621,608	915,643	1.9%	65.0%
Grand Total	1,513,253	1,572,249	1,992,297	1,724,679	1,964,238	1,971,907	2,402,407	4.5%	58.8%

Proposed Tolls	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount	Approved toll	Approved discount		
	Effective from: 1/4/24		1/4/25		1/4/26		1/4/27		1/4/28		1/4/29		1/4/30		1/4/31		1/4/32		1/4/33		1/4/34		1/4/35		1/4/36		1/4/37		1/4/38		1/4/39	
Class 1 Pedestrian	1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00	
Class 2 Pedal or Motor Cycle	1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00		1.00	
Class 3 Passenger vehicle < 16 persons (Cars)	5.30		5.40		5.60		5.80		6.25		6.50		6.75		6.75		6.75		6.75		6.75		6.75		6.75		6.75		6.75		6.75	
Class 4 Passenger vehicle > 16 persons (Coaches)	10.60		10.80		11.20		11.60		12.00		12.50		13.00		13.50		13.50		13.50		13.50		13.50		13.50		13.50		13.50		13.50	
Class 5 Goods vehicle < 3,500kgs (Cars)	5.30		5.40		5.60		5.80		6.00		6.25		6.50		6.75		6.75		6.75		6.75		6.75		6.75		6.75		6.75		6.75	
Class 6 Goods vehicle 3,500kgs - 20,000kgs (Trucks)	10.60		10.80		11.20		11.60		12.00		12.50		13.00		13.50		13.50		13.50		13.50		13.50		13.50		13.50		13.50		13.50	
Class 7 Book of 50 tickets for Pedestrians	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%
Class 7b Book of 100 tickets for Pedestrians	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%
Class 9 Book of 50 tickets for cycles	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%	45.00	10.00%
Class 9b Book of 100 tickets for cycles	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%	85.00	15.00%
Class 10 Book of 10 tickets for Motor Cars	38.16	28.00%	38.88	28.00%	40.32	28.00%	41.76	28.00%	43.20	28.00%	45.00	28.00%	46.80	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%	48.60	28.00%
Class 11 Book of 50 tickets for Motor Cars	180.20	32.00%	183.60	32.00%	190.40	32.00%	197.20	32.00%	204.00	32.00%	212.50	32.00%	221.00	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%	229.50	32.00%
Class 12 Book of 10 tickets for Goods Vehicles (Trucks)	76.32	28.00%	77.76	28.00%	80.64	28.00%	83.52	28.00%	86.40	28.00%	90.00	28.00%	93.60	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%
Class 13 Book of 50 tickets for Goods Vehicles (Trucks)	360.40	32.00%	367.20	32.00%	380.80	32.00%	394.40	32.00%	408.00	32.00%	425.00	32.00%	442.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%
Class 14 Book of 10 tickets for Buses & Coaches	76.32	28.00%	77.76	28.00%	80.64	28.00%	83.52	28.00%	86.40	28.00%	90.00	28.00%	93.60	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%	97.20	28.00%
Class 15 Book of 50 tickets for Buses & Coaches	360.40	32.00%	367.20	32.00%	380.80	32.00%	394.40	32.00%	408.00	32.00%	425.00	32.00%	442.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%	459.00	32.00%

Income by Class	Annualised Income (NON refit year) Y/E 31/3/24	Category designation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Class 1 Pedestrian	75,471	A	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471	75,471
Class 2 Pedal or Motor Cycle	98,803	B	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803	98,803
Class 3 Passenger vehicle < 16 persons (Cars)	2,433,225	F	2,480,018	2,526,811	2,620,397	2,713,983	2,807,569	2,924,551	3,041,533	3,158,515	3,158,515	3,158,515	3,158,515	3,158,515	3,158,515	3,158,515	3,158,515	3,158,515
Class 4 Passenger vehicle > 16 persons (Coaches)	3,744	C	3,816	3,888	4,032	4,176	4,320	4,500	4,680	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860
Class 5 Goods vehicle < 3,500kgs (Cars)	12,784	F	13,030	13,276	13,768	14,260	14,752	15,367	15,982	16,597	16,597	16,597	16,597	16,597	16,597	16,597	16,597	16,597
Class 6 Goods vehicle 3,500kgs - 20,000kgs (Trucks)	107,696	G	109,767	111,838	115,980	120,122	124,264	129,442	134,620	139,798	139,798	139,798	139,798	139,798	139,798	139,798	139,798	139,798
Class 7 Book of 50 tickets for Pedestrians	1,000	A	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Class 7b Book of 100 tickets for Pedestrians	2,210	A	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210
Class 9 Book of 50 tickets for cycles	7,000	B	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Class 9b Book of 100 tickets for cycles	7,324	B	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324
Class 10 Book of 10 tickets for Motor Cars	313,550	F	319,580	325,610	337,670	349,730	361,790	376,865	391,940	407,015	407,015	407,015	407,015	407,015	407,015	407,015	407,015	407,015
Class 11 Book of 50/100 tickets for Motor Cars	245,287	F	250,004	254,721	264,155	273,589	283,023	294,816	306,609	318,402	318,402	318,402	318,402	318,402	318,402	318,402	318,402	318,402
Class 12 Book of 10 tickets for Goods Vehicles (Trucks)	437	G	445	453	470	487	504	525	546	567	567	567	567	567	567	567	567	567
Class 13 Book of 50 tickets for Goods Vehicles (Trucks)	5,599	G	5,707	5,815	6,030	6,245	6,460	6,729	6,998	7,267	7,267	7,267	7,267	7,267	7,267	7,267	7,267	7,267
Class 14 Book of 10 tickets for Buses & Coaches	-	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 15 Book of 50 tickets for Buses & Coaches	225	C	229	233	242	251	260	271	282	293	293	293	293	293	293	293	293	293
			3,374,404	3,434,453	3,554,552	3,674,651	3,794,750	3,944,874	4,094,998	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122

Income By Category (based on traffic volumes 2024)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Class A (Foot passenger)	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681	78,681
Class B/C (Bikes & motorcycles)	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127
Class F (Car)	3,062,632	3,120,418	3,235,990	3,351,562	3,467,134	3,611,599	3,756,064	3,900,529	3,900,529	3,900,529	3,900,529	3,900,529	3,900,529	3,900,529	3,900,529	3,900,529
Class G (Truck)	115,919	118,106	122,480	126,854	131,228	136,696	142,164	147,632	147,632	147,632	147,632	147,632	147,632	147,632	147,632	147,632
Coach & Bus	4,045	4,121	4,274	4,427	4,580	4,771	4,962	5,153	5,153	5,153	5,153	5,153	5,153	5,153	5,153	5,153
	3,374,404	3,434,453	3,554,552	3,674,651	3,794,750	3,944,874	4,094,998	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122	4,245,122

Income By Category (based on average traffic volumes for 2018 and 2024)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Class A (Foot passenger)	81,072	81,072	81,072	81,072												

Inflation rate	CPI
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Income workings for 17 years to 31st March 2040 (assuming this application is approved)

Proposed Tolls	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £	Proposed toll	Proposed discount £
Class 1 Pedestrian	1.75		1.77		1.80		1.83		1.87		1.91		1.94		1.98		2.02		2.06		2.11		2.15		2.19		2.23		2.28		2.32	
Class 2 Pedal or Motor Cycle	1.75		1.77		1.80		1.83		1.87		1.91		1.94		1.98		2.02		2.06		2.11		2.15		2.19		2.23		2.28		2.32	
Class 3 Passenger vehicle < 16 persons (Cars)	6.26		6.36		6.46		6.57		6.70		6.83		6.97		7.11		7.25		7.40		7.54		7.69		7.85		8.01		8.17		8.33	
Class 4 Passenger vehicle > 16 persons (Coaches)	12.52		12.72		12.92		13.14		13.40		13.67		13.94		14.22		14.51		14.80		15.09		15.39		15.70		16.02		16.34		16.66	
Class 5 Goods vehicle < 3,500kgs (Cars)	6.26		6.36		6.46		6.57		6.70		6.83		6.97		7.11		7.25		7.40		7.54		7.69		7.85		8.01		8.17		8.33	
Class 6 Goods vehicle 3,500kgs - 20,000kgs (Trucks)	12.52		12.72		12.92		13.14		13.40		13.67		13.94		14.22		14.51		14.80		15.09		15.39		15.70		16.02		16.34		16.66	
Class 7 Book of 50 tickets for Pedestrians	74.38	15.00%	75.23	15.00%	76.50	15.00%	77.78	15.00%	79.48	15.00%	81.18	15.00%	82.45	15.00%	84.15	15.00%	85.85	15.00%	87.55	15.00%	89.68	15.00%	91.38	15.00%	93.08	15.00%	94.78	15.00%	96.90	15.00%	98.60	15.00%
Class 7b Book of 100 tickets for Pedestrians	140.00	20.00%	141.60	20.00%	144.00	20.00%	146.40	20.00%	149.60	20.00%	152.80	20.00%	155.20	20.00%	158.40	20.00%	161.60	20.00%	164.80	20.00%	168.80	20.00%	172.00	20.00%	175.20	20.00%	178.40	20.00%	182.40	20.00%	185.60	20.00%
Class 9 Book of 50 tickets for cycles	74.38	15.00%	75.23	15.00%	76.50	15.00%	77.78	15.00%	79.48	15.00%	81.18	15.00%	82.45	15.00%	84.15	15.00%	85.85	15.00%	87.55	15.00%	89.68	15.00%	91.38	15.00%	93.08	15.00%	94.78	15.00%	96.90	15.00%	98.60	15.00%
Class 9b Book of 100 tickets for cycles	140.00	20.00%	141.60	20.00%	144.00	20.00%	146.40	20.00%	149.60	20.00%	152.80	20.00%	155.20	20.00%	158.40	20.00%	161.60	20.00%	164.80	20.00%	168.80	20.00%	172.00	20.00%	175.20	20.00%	178.40	20.00%	182.40	20.00%	185.60	20.00%
Class 10 Book of 10 tickets for Motor Cars	45.07	28.00%	47.70	25.00%	50.39	22.00%	53.22	19.00%	56.95	15.00%	58.06	15.00%	59.25	15.00%	60.44	15.00%	61.63	15.00%	62.90	15.00%	64.09	15.00%	65.37	15.00%	66.73	15.00%	68.09	15.00%	69.45	15.00%	70.81	15.00%
Class 11 Book of 50 tickets for Motor Cars	212.84	32.00%	225.78	29.00%	239.02	26.00%	252.95	23.00%	268.00	20.00%	273.20	20.00%	278.80	20.00%	284.40	20.00%	290.00	20.00%	296.00	20.00%	301.60	20.00%	307.60	20.00%	314.00	20.00%	320.40	20.00%	326.80	20.00%	333.20	20.00%
Class 12 Book of 10 tickets for Goods Vehicles (Trucks)	90.14	28.00%	95.40	25.00%	100.78	22.00%	106.43	19.00%	113.90	15.00%	116.20	15.00%	118.49	15.00%	120.87	15.00%	123.34	15.00%	125.80	15.00%	128.27	15.00%	130.82	15.00%	133.45	15.00%	136.17	15.00%	138.89	15.00%	141.61	15.00%
Class 13 Book of 50 tickets for Goods Vehicles (Trucks)	425.68	32.00%	451.56	29.00%	478.04	26.00%	505.89	23.00%	536.00	20.00%	546.80	20.00%	557.60	20.00%	568.80	20.00%	580.40	20.00%	592.00	20.00%	603.60	20.00%	615.60	20.00%	628.00	20.00%	640.80	20.00%	653.60	20.00%	666.40	20.00%
Class 14 Book of 10 tickets for Buses & Coaches	90.14	28.00%	95.40	25.00%	100.78	22.00%	106.43	19.00%	113.90	15.00%	116.20	15.00%	118.49	15.00%	120.87	15.00%	123.34	15.00%	125.80	15.00%	128.27	15.00%	130.82	15.00%	133.45	15.00%	136.17	15.00%	138.89	15.00%	141.61	15.00%
Class 15 Book of 50 tickets for Buses & Coaches	425.68	32.00%	451.56	29.00%	478.04	26.00%	505.89	23.00%	536.00	20.00%	546.80	20.00%	557.60	20.00%	568.80	20.00%	580.40	20.00%	592.00	20.00%	603.60	20.00%	615.60	20.00%	628.00	20.00%	640.80	20.00%	653.60	20.00%	666.40	20.00%
Toll Road	6.26		6.36		6.46		6.57		6.70		6.83		6.97		7.11		7.25		7.40		7.54		7.69		7.85		8.01		8.17		8.33	

Income by Class	Annualised Income (NON refit year) Y/E 31/3/24	Category designation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Class 1 Pedestrian	75,471	A	132,074	133,583	135,847	138,111	141,130	144,149	146,413	149,432	152,451	155,470	159,244	162,263	165,282	168,301	172,075	175,094
Class 2 Pedal or Motor Cycle	98,803	B	172,905	174,881	177,845	180,809	184,761	188,713	191,677	195,629	199,581	203,533	208,473	212,425	216,377	220,329	225,269	229,221
Class 3 Passenger vehicle < 16 persons (Cars)	2,433,225	F	2,719,998	2,763,448	2,806,898	2,854,693	2,911,179	2,967,665	3,028,496	3,089,327	3,150,158	3,215,334	3,276,165	3,341,341	3,410,862	3,480,383	3,549,904	3,619,425
Class 4 Passenger vehicle > 16 persons (Coaches)	3,744	C	4,596	4,669	4,742	4,823	4,918	5,017	5,116	5,219	5,325	5,431	5,537	5,647	5,761	5,878	5,995	6,112
Class 5 Goods vehicle < 3,500kgs (Cars)	12,784	F	14,291	14,519	14,747	14,988	15,295	15,592	15,912	16,232	16,552	16,894	17,214	17,556	17,921	18,286	18,651	19,016
Class 6 Goods vehicle 3,500kgs - 20,000kgs (Trucks)	107,696	G	132,192	134,304	136,416	138,739	141,484	144,335	147,186	150,142	153,204	156,266	159,328	162,496	165,769	169,148	172,527	175,906
Class 7 Book of 50 tickets for Pedestrians	1,000	A	1,750	1,770	1,800	1,830	1,870	1,910	1,940	1,980	2,020	2,060	2,110	2,150	2,190	2,230	2,280	2,320
Class 7b Book of 100 tickets for Pedestrians	2,210	A	3,868	3,912	3,978	4,044	4,132	4,220	4,286	4,374	4,462	4,550	4,660	4,748	4,836	4,924	5,034	5,122
Class 9 Book of 50 tickets for cycles	7,000	B	12,251	12,391	12,600	12,811	13,091	13,371	13,580	13,860	14,140	14,420	14,771	15,051	15,331	15,611	15,960	16,240
Class 9b Book of 100 tickets for cycles	7,324	B	12,817	12,963	13,183	13,403	13,696	13,989	14,209	14,502	14,795	15,088	15,454	15,747	16,040	16,333	16,699	16,992
Class 10 Book of 10 tickets for Motor Cars	313,550	F	350,489	370,941	391,860	413,868	442,875	451,507	460,761	470,015	479,269	489,145	498,399	508,353	518,929	529,505	540,081	550,657
Class 11 Book of 50/100 tickets for Motor Cars	245,287	F	274,196	290,866	307,923	325,869	345,258	351,957	359,171	366,385	373,599	381,329	388,543	396,273	404,518	412,763	421,008	429,253
Class 12 Book of 10 tickets for Goods Vehicles (Trucks)	437	G	536	567	599	633	677	691	705	719	734	749	764	779	795	811	827	843
Class 13 Book of 50 tickets for Goods Vehicles (Trucks)	5,599	G	6,872	7,290	7,717	8,167	8,653	8,827	9,001	9,182	9,369	9,556	9,743	9,937	10,137	10,344	10,551	10,758
Class 14 Book of 10 tickets for Buses & Coaches	-	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 15 Book of 50 tickets for Buses & Coaches	225	C	276	293	310	328	348	355	362	369	377	385	393	401	409	417	425	433
Toll Road	-		51,333	52,153	52,973	53,875	54,941	56,007	57,155	58,303	59,451	60,681	61,829	63,059	64,371	65,683	66,995	68,307
			3,890,444	3,978,550	4,069,438	4,167,001	4,284,308	4,368,305	4,455,970	4,545,670	4,635,487	4,730,891	4,822,627	4,918,226	5,019,528	5,120,946	5,224,281	5,325,699

Income By Category (based on traffic volumes 2024)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Class A (Foot passenger)	137,692	139,265	141,625	143,985	147,132	150,279	152,639	155,786	158,933	162,080	166,014	169,161	172,308	175,455	179,389	182,536
Class B/C (Bikes & motorcycles)	197,973	200,235	203,628	207,023	211,548	216,073	219,466	223,991	228,516	233,041	238,698	243,223	247,748	252,273	257,298	262,453
Class F (Car)	3,358,974	3,439,774	3,521,428	3,609,428	3,714,607	3,786,721	3,864,340	3,941,959	4,019,578	4,102,702	4,180,321	4,263,523	4,352,230	4,440,937	4,529,644	4,618,351
Class G (Truck)	139,600	142,161	144,732	147,539	150,814	153,853	156,892	160,043	163,307	16						

The Bournemouth-Swanage Motor Road & Ferry Co. Inc.

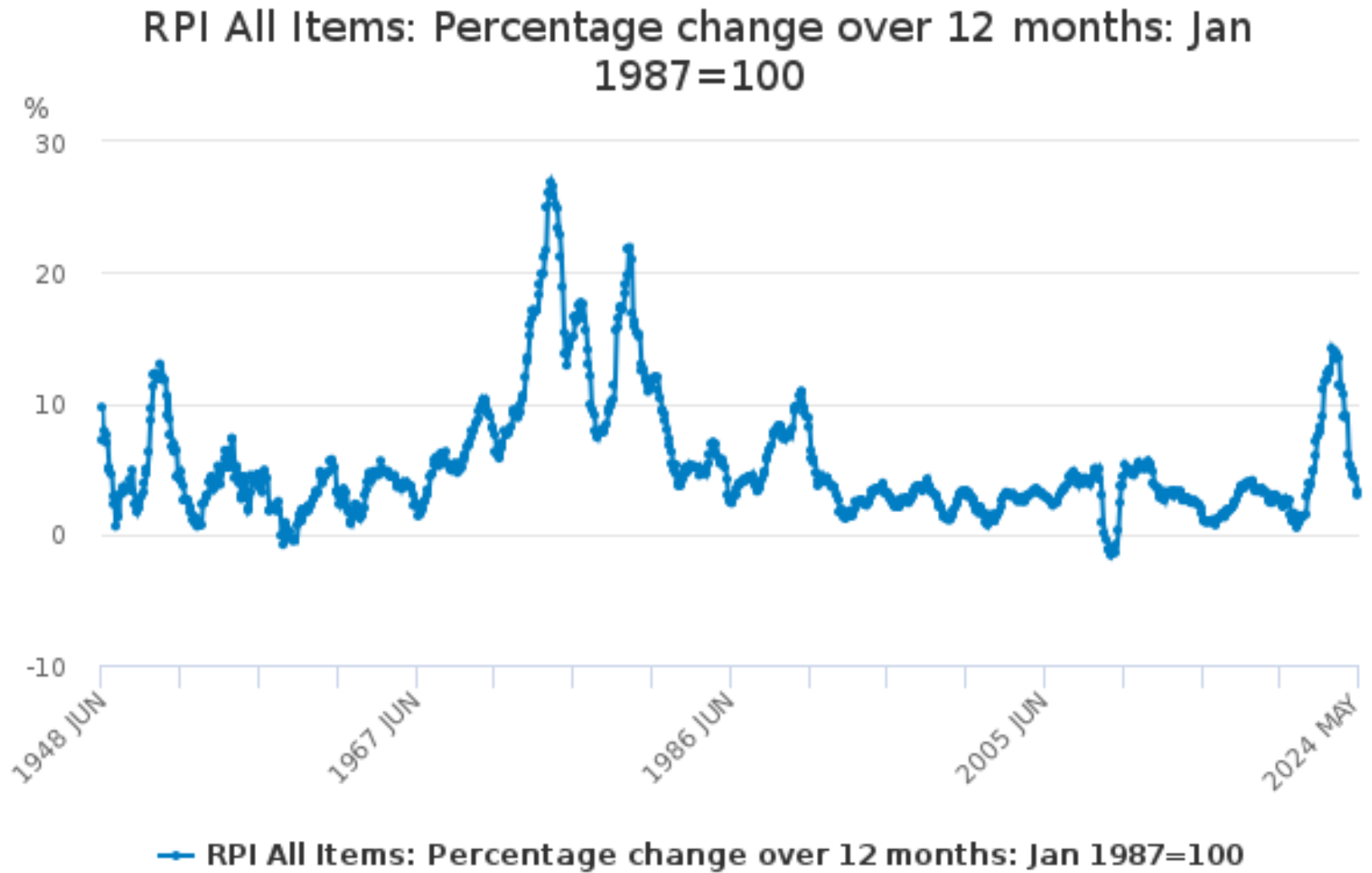
Appendix 6.1

Cash flow analysis (in line with increases approved under The 2021 Order)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Operating Profit/(Loss) [Profit Before Interest & Tax]	835,695	585,265	1,097,382	(420,036)	1,207,160	648,827	1,284,656	(238,697)	1,433,900	730,555	1,276,045	822,933	738,166	8,718	561,188	(1,554,385)	373,796
Depreciation of tangible assets	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	473,896	473,896	473,896	473,896	473,896	473,896
Decrease (Increase) in stocks & debtors	1,020,077	7,725	(271)	239	(717)	(68)	(469)	(105)	(492)	191	(191)	(0)	0	191	(191)	572	(572)
Increase (Decrease) in creditors due within one year	(652,957)	(211,734)	(19,530)	(124,756)	15,426	137,292	16,375	(103,961)	23,275	126,200	(143,530)	(197,595)	(67,432)	71,050	1,888	1,943	1,999
Net Cash Inflow From Operating Activities	1,305,975	484,416	1,180,742	(441,393)	1,325,029	889,211	1,403,722	(239,603)	1,559,843	960,105	1,235,484	1,099,234	1,144,630	553,855	1,036,782	(1,077,974)	849,120
Interest received	73,492	121,324	110,762	118,671	112,661	136,464	154,142	179,935	178,378	207,184	227,139	(71,611)	140	14,257	15,672	27,728	(22,726)
Interest paid	(3,046)	-	-	-	-	-	-	-	-	-	-	-	(382,307)	(373,671)	(364,370)	(354,353)	(343,564)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(117,528)	-	-	-	-	-
Corporation tax paid	(175,766)	(202,437)	(327,826)	49,551	(355,745)	(222,113)	(385,490)	(11,099)	(428,859)	(260,225)	(138,430)	138,430	-	-	-	-	-
Loan finance capital - advanced (repaid)	-	-	-	-	-	-	-	-	-	-	4,965,022	(112,155)	(120,791)	(130,092)	(140,109)	(150,898)	(162,517)
Payments to acquire tangible fixed assets	-	-	-	-	-	-	-	-	-	-	(17,543,731)	-	-	-	-	-	-
Proceeds from disposal of tangible fixed assets	32,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow (Outflow)	1,233,155	403,303	963,677	(273,171)	1,081,945	803,562	1,172,374	(70,767)	1,309,362	907,064	(11,254,516)	936,371	641,672	64,349	547,975	(1,555,497)	320,314
Opening Cash at Bank & In Hand	2,794,003	4,027,158	4,430,461	5,394,138	5,120,967	6,202,912	7,006,474	8,178,848	8,108,081	9,417,442	10,324,507	(930,010)	6,361	648,033	712,382	1,260,358	(295,139)
Closing Cash at Bank & In Hand	4,027,158	4,430,461	5,394,138	5,120,967	6,202,912	7,006,474	8,178,848	8,108,081	9,417,442	10,324,507	(930,010)	6,361	648,033	712,382	1,260,358	(295,139)	25,174

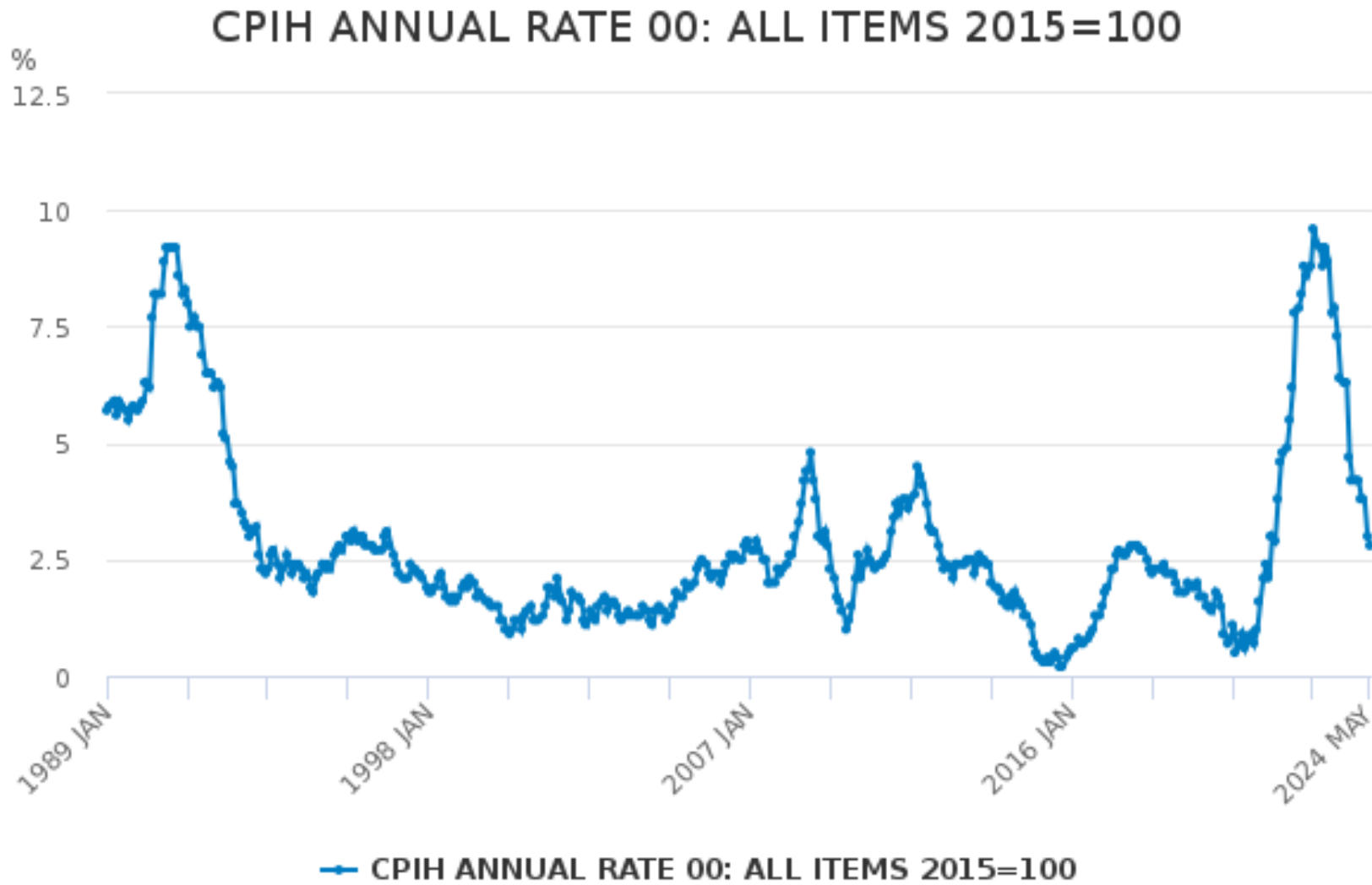
The Bournemouth-Swanage Motor Road & Ferry Co. Inc.
Appendix 6.2
Cash flow analysis (assuming this application is approved)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Operating Profit [Profit Before Interest & Tax]	835,695	1,091,641	1,641,919	64,811	1,700,214	1,129,539	1,709,320	(74,610)	1,736,666	1,115,604	1,763,091	1,401,285	1,411,630	767,361	1,436,306	(636,753)	1,452,627
Depreciation of tangible assets	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	103,160	473,896	473,896	473,896	473,896	473,896	473,896
Decrease (Increase) in stocks & debtors	1,020,077	6,712	(347)	359	(733)	(44)	(356)	416	(769)	26	(395)	(183)	(190)	20	(424)	487	(894)
Increase (Decrease) in creditors due within one year	(652,957)	(148,437)	49,919	(124,895)	11,204	138,882	9,963	(142,483)	8,350	152,668	(122,682)	(311,409)	1,888	1,943	1,999	(70,934)	-
Net Cash Inflow From Operating Activities	1,305,975	1,053,076	1,794,651	43,435	1,813,844	1,371,537	1,822,086	(113,516)	1,847,407	1,371,458	1,743,174	1,563,589	1,887,224	1,243,221	1,911,778	(233,304)	1,925,629
Interest received	73,492	121,324	121,813	139,090	141,417	173,736	199,997	225,656	226,725	243,692	257,991	798	15,044	25,867	35,175	52,847	44,743
Interest paid	(3,046)	-	-	-	-	-	-	-	-	-	-	(382,307)	(373,671)	(364,370)	(354,353)	(343,564)	(331,945)
Dividend paid	-	-	-	-	-	-	(352,614)	-	(786,274)	(599,574)	(845,134)	(296,343)	(766,667)	(344,425)	(456,890)	-	-
Corporation tax paid	(175,766)	(329,031)	(466,723)	(76,765)	(486,198)	(351,609)	(503,119)	(63,552)	(516,638)	(365,614)	(267,905)	(126,052)	(149,200)	(7,115)	(192,297)	306,525	(228,287)
Loan finance capital - advanced (repaid)	-	-	-	-	-	-	-	-	-	-	4,965,022	(112,155)	(120,791)	(130,092)	(140,109)	(150,898)	(162,517)
Payments to acquire tangible fixed assets	-	-	-	-	-	-	-	-	-	-	(17,543,731)	-	-	-	-	-	-
Proceeds from disposal of tangible fixed assets	32,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow (Outflow)	1,233,155	845,369	1,449,741	105,760	1,469,063	1,193,664	1,166,350	48,588	771,220	649,962	(11,690,584)	647,531	491,939	423,085	803,303	(368,394)	1,247,623
Opening Cash at Bank & In Hand	2,794,003	4,027,158	4,872,527	6,322,268	6,428,028	7,897,091	9,090,755	10,257,105	10,305,692	11,076,912	11,726,874	36,291	683,822	1,175,761	1,598,846	2,402,149	2,033,756
Closing Cash at Bank & In Hand	4,027,158	4,872,527	6,322,268	6,428,028	7,897,091	9,090,755	10,257,105	10,305,692	11,076,912	11,726,874	36,291	683,822	1,175,761	1,598,846	2,402,149	2,033,756	3,281,379



Source:

Appendix 7.2 The CPI Index. Source Office for National Statistics.



Source: