

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

**THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## COMPANY INFORMATION

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<b>Directors</b>	MPR Kean Ms R Kean J du Toit
<b>Secretary</b>	Mrs C Leach
<b>Incorporated by Act of Parliament</b>	31 July 1923
<b>Head office</b>	Fairacres Stock Lane Ingatestone Essex CM4 9QL
<b>Auditors</b>	Rickard Luckin Limited 1st Floor County House 100 New London Road Chelmsford Essex CM2 0RG
<b>Business address</b>	Ferry Office Shell Bay Studland Swanage Dorset BH19 3BA
<b>Bankers</b>	Handelsbanken Greenwood House 91-99 New London Road Chelmsford Essex CM2 0PP

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# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

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# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their ninety ninth report and financial statements for the year ended 31 March 2023.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid during the year and the Directors' policy is that they will not pay any dividends to the shareholders until the ferry replacement reserve is at the required level in any given year.

### **Directors**

No director held any beneficial interest in the share capital of the company. In order to qualify each of the directors holds one hundred shares on trust for the holding company.

MPR Kean  
Ms R Kean  
J du Toit

### **Directors' insurance**

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

### **Future developments**

Despite a life extending refit of the current ferry vessel 'Bramble Bush Bay' the Directors are having to prepare an inflation linking Toll Application to support the Motor Ferry Replacement Reserve which is not likely to be at a sufficient level when required due to the increase to corporation tax rates, unpredicted levels of cost increases and the Company's inability to raise external finance.

### **Auditor**

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

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Statement of disclosure to auditor

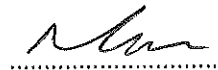
So far as the directors are aware,

- (a) there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Small companies exemption

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

On behalf of the board



.....  
MPR Kean  
Director

Date: 9th August 2023 .....

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of The Bournemouth-Swanage Motor Road & Ferry Company (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Bournemouth-Swanage Motor Road & Ferry Co Acts 1923-1986 and the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Capability of the audit in detecting irregularity, including fraud**

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the company's regulatory and legal correspondence.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including: the company's constitution within the respective Acts of Parliament; relevant financial reporting standards; tax legislation and distributable profits legislation, and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: employment legislation; health and safety legislation; the regulatory requirements of Marpol (prevention of ship pollution); and data protection legislation.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

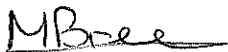
- Challenging assumptions made by management in its significant accounting estimates in particular: the useful economic lives of assets and the basis and calculation for the deferral of income;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the statement of comprehensive income and the Balance Sheet includes a number of items selected on a random basis.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with ISAs (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Breame (Senior Statutory Auditor)**  
for and on behalf of Rickard Luckin Limited

10<sup>th</sup> August 2023

**Chartered Accountants**  
**Statutory Auditor**

1st Floor  
County House  
100 New London Road  
Chelmsford  
Essex  
CM2 0RG



# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	2022 £
Turnover	3	2,400,575	3,049,698
Cost of sales		(3,726,788)	(1,396,982)
<b>Gross (loss)/profit</b>		<b>(1,326,213)</b>	<b>1,652,716</b>
Administrative expenses		(621,608)	(668,728)
Other operating income	3	1,181,985	38,634
<b>Operating (loss)/profit</b>		<b>(765,836)</b>	<b>1,022,622</b>
Interest receivable and similar income		44,730	37,656
Interest payable and similar expenses		(43)	-
<b>(Loss)/profit before taxation</b>		<b>(721,149)</b>	<b>1,060,278</b>
Tax on (loss)/profit		283,062	(208,920)
<b>(Loss)/profit for the financial year</b>		<b>(438,087)</b>	<b>851,358</b>
<b>Other comprehensive income</b>			
Tax relating to other comprehensive income		14,076	(122,844)
<b>Total comprehensive income for the year</b>		<b>(424,011)</b>	<b>728,514</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		13,199,078		13,119,350
<b>Current assets</b>					
Stocks		406,643		324,627	
Debtors	6	1,223,959		85,468	
Cash at bank and in hand		2,794,003		4,406,314	
		<u>4,424,605</u>		<u>4,816,409</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,223,462)</u>		<u>(892,603)</u>	
<b>Net current assets</b>			3,201,143		3,923,806
<b>Total assets less current liabilities</b>			<u>16,400,221</u>		<u>17,043,156</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(34,978)		(34,978)
<b>Provisions for liabilities</b>	9		<u>(367,694)</u>		<u>(586,618)</u>
<b>Net assets</b>			<u>15,997,549</u>		<u>16,421,560</u>
<b>Capital and reserves</b>					
Called up share capital	12		61,000		61,000
Revaluation reserve			12,064,187		12,136,498
Other reserves	13		4,224,062		4,224,062
Profit and loss reserves			<u>(351,700)</u>		<u>-</u>
<b>Total equity</b>			<u>15,997,549</u>		<u>16,421,560</u>

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

The financial statements were approved by the board of directors and authorised for issue on 9<sup>th</sup> August 2023 and are signed on its behalf by:



MPR Kean  
Director

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 April 2021</b>	61,000	12,345,729	3,357,762	(71,445)	15,693,046
<b>Year ended 31 March 2022:</b>					
Profit for the year	-	-	-	851,358	851,358
Other comprehensive income:					
Tax relating to other comprehensive income	-	(122,844)	-	-	(122,844)
Total comprehensive income for the year	-	(122,844)	-	851,358	728,514
Transfers	-	(86,387)	866,300	(779,913)	-
<b>Balance at 31 March 2022</b>	61,000	12,136,498	4,224,062	-	16,421,560
<b>Year ended 31 March 2023:</b>					
Loss for the year	-	-	-	(438,087)	(438,087)
Other comprehensive income:					
Tax relating to other comprehensive income	-	14,076	-	-	14,076
Total comprehensive income for the year	-	14,076	-	(438,087)	(424,011)
Transfers	-	(86,387)	-	86,387	-
<b>Balance at 31 March 2023</b>	61,000	12,064,187	4,224,062	(351,700)	15,997,549

The revaluation reserve totalling £12,064,187 represents reserves generated from historic revaluations less the unwinding of associated depreciation and provision for deferred tax, and as such are non-distributable.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

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

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

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

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

#### 1.4 Tangible fixed assets

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

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

No depreciation is provided on freehold land.

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

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

Motor Ferry	40 years
Equipment and motor vehicles	5 - 10 years

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

The useful economic life of the Motor Ferry is considered to be 40 years based upon a professional third party assessment of the remaining life of the asset. The depreciation charge reflects this accordingly. The Motor Ferry was acquired in 1993 and subsequently brought into use in 1994. The ferry is subject to a cyclical schedule of maintenance every four years and costs arising in each financial period, recognised in cost of sales, therefore vary accordingly.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

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

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

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

#### 1.6 Stocks

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

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

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

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

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

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

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

#### 1.9 Equity instruments

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

#### 1.10 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

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

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

#### 1.11 Employee benefits

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

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

#### 1.12 Retirement benefits

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

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### 1.14 Motor ferry replacement reserve

An amount is being set aside over the period to 31 March 2032 to renew the motor ferry by the transfer of an estimated amount to the Motor Ferry Replacement Reserve, when sufficient funds are available. To ensure the reserve is available for the replacement of the Ferry with sufficient time, the reserve is being built up to the required level 2 years before the anticipated replacement year of 2034. The directors have specifically ring fenced this reserve for the purpose of the ferry replacement.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### *Useful economic life of the Motor Ferry*

The Motor Ferry is a critical asset of the business and its useful economic life variable depending on its upkeep and potential advancements in technology that may allow it to operate for longer than originally designed or intended. During the year the directors have reviewed the useful life of the Motor Ferry based on their expectation of its remaining useful economic life following further maintenance works completed during the year.

#### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	44,730	37,656
Grants received	-	7,018
Insurance claims receivable	1,132,766	-
	<u>1,132,766</u>	<u>-</u>

Other income of £1,132,766 represents amounts receivable in relation to an insurance claim arising during the period, including for repair costs included in these financial statements and loss of income whilst the Motor Ferry was not in service.

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	43	42

### 5 Tangible fixed assets

	Land, roads and slipways	Buildings	Motor Ferry	Equipment and motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2022	11,528,971	967,981	1,900,000	127,168	14,524,120
Additions	-	145,486	-	37,668	183,154
At 31 March 2023	11,528,971	1,113,467	1,900,000	164,836	14,707,274
<b>Depreciation and impairment</b>					
At 1 April 2022	-	211,928	1,085,714	107,128	1,404,770
Depreciation charged in the year	-	29,049	67,857	6,520	103,426
At 31 March 2023	-	240,977	1,153,571	113,648	1,508,196
<b>Carrying amount</b>					
At 31 March 2023	11,528,971	872,490	746,429	51,188	13,199,078
At 31 March 2022	11,528,971	756,053	814,286	20,040	13,119,350

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

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

As detailed in the accounting policies, the land, buildings and ferry are carried at a transitional deemed cost.

If revalued assets were stated on an historical cost basis rather they would be included at a cost of £2,780,192 (2022: £2,634,706) and have a net book value of £293,435 (2022: £162,100).

### 6 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	762	10,784
Other debtors	1,223,197	74,684
	1,223,959	85,468



# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	757,049	127,100
Corporation tax	-	219,884
Other taxation and social security	25,277	19,518
Other creditors	441,136	526,101
	<u>1,223,462</u>	<u>892,603</u>

### 8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	34,978	34,978
	<u>34,978</u>	<u>34,978</u>

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

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

### 9 Provisions for liabilities

		2023 £	2022 £
Deferred tax liabilities	10	367,694	586,618
		<u>367,694</u>	<u>586,618</u>

### 10 Deferred taxation

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Revaluations	572,542	586,618
Trading losses	(204,848)	-
	<u>367,694</u>	<u>586,618</u>

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Deferred taxation (Continued)

	2023
	£
<b>Movements in the year:</b>	
Liability at 1 April 2022	586,618
Credit to profit or loss	(204,848)
Credit to other comprehensive income	(14,076)
Liability at 31 March 2023	<u>367,694</u>

### 11 Financial commitments, guarantees and contingent liabilities

The company together with four other group companies, has entered into a composite guarantee in respect of bank overdrafts of those companies. There is a right to set off incorporated within the cross guarantee. The net overdraft indebtedness of the group companies to the bank at the year end date was £Nil (2022: £Nil).

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

### 12 Called up share capital

	2023	2022
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,740,000 Ordinary of 5p each	87,000	87,000
Less: Discount of 50% on issue of 1,040,000	(26,000)	(26,000)
	<u>61,000</u>	<u>61,000</u>

### 13 Other reserves

Transfers are made from the profit and loss account to the Motor Ferry Replacement Reserve, to the extent that reserves are available. In March 2019, the company obtained a professional estimate of the cost of building a diesel electric powered motor ferry to replace the company's existing vessel. The approximate cost including fees was £11,418,000. Allowing for inflationary increases to these estimated costs and based on the date of renewal, if full provision was being made for renewal, less what the company are able to borrow for this purpose, the Motor Ferry Replacement Reserve at the balance sheet date would have totalled £7,983,333.

### 14 Related party transactions

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

### 15 Parent company

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

**THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2023**

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022
	£	£	£	£
<b>Turnover</b>				
Sales		2,400,575		3,049,698
<b>Cost of sales</b>				
Ferry harbour dues	1,454		1,454	
Ferry consumable stores	117,017		106,041	
Ferry wages and salaries	906,090		805,008	
Staff recruitment costs	-		4,304	
Building repairs and maintenance	32,352		19,270	
Slipway repairs & maintenance	21,520		15,971	
Road repairs & maintenance	7,280		20,140	
Ferry repairs & maintenance	2,448,063		212,761	
Ferry insurance	89,586		110,561	
Depreciation on freehold property	29,049		26,589	
Depreciation on motor ferry	67,857		67,857	
Depreciation on other equipment	6,520		7,026	
		<u>(3,726,788)</u>		<u>(1,396,982)</u>
<b>Gross (loss)/profit</b>	55.25%	(1,326,213)	54.19%	1,652,716
<b>Other operating income</b>				
Coronavirus job retention scheme grant	-		7,018	
Insurance claims receivable	1,132,766		-	
Sundry income	49,219		31,616	
		<u>1,181,985</u>		<u>38,634</u>
<b>Administrative expenses</b>		<u>(621,608)</u>		<u>(668,728)</u>
<b>Operating (loss)/profit</b>		<u>(765,836)</u>		<u>1,022,622</u>
<b>Investment revenues</b>				
Other interest received	44,730		37,656	
		<u>44,730</u>		<u>37,656</u>
<b>Interest payable and similar expenses</b>				
Interest on overdue taxation		<u>(43)</u>		<u>-</u>
<b>(Loss)/profit before taxation</b>	30.04%	<u><u>(721,149)</u></u>	34.77%	<u><u>1,060,278</u></u>

# THE BOURNEMOUTH-SWANAGE MOTOR ROAD & FERRY COMPANY

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2023

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	2023	2022
	£	£
<b>Administrative expenses</b>		
Wages and salaries	152,907	148,063
Staff pension costs defined contribution	31,327	34,699
Directors' remuneration	132,814	55,300
Management charge	-	130,674
Rates	89,925	89,931
Tickets	594	5,444
Light and heat	5,509	7,257
Insurance	60,225	47,886
Motor running expenses	13,447	13,871
Accommodation and subsistence	4,694	799
Legal and professional fees	25,701	25,377
Audit fees	21,135	12,880
Bank charges	27,401	32,892
Printing, postage and stationery	9,112	6,321
Advertising	-	330
Telecommunications	3,608	6,461
Sundry expenses	43,209	50,543
	<hr/>	<hr/>
	621,608	668,728
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