



**Isles of Scilly Steamship Company  
Limited**

**Summary financial statements**

**For the period ended 30 September 2014**

# Isles of Scilly Steamship Company Limited

## Contents

	Page
Directors' Report	1
Consolidated Profit and Loss Account	2
Consolidated Balance Sheet	3
Consolidated Cash Flow Statement	4
Consolidated Cash Flow Statement Notes	5
Notes to the Financial Statements	6

# Isles of Scilly Steamship Company Limited

## Directors' Report

### Introduction

The Group benefited from increased passenger traffic to the Isles of Scilly during the first 6 months up to 30th September 2014 as a result of factors such as the upturn in the UK's economy, favourable summer weather, improved marketing and greater coordination with the Island Partnership. This upturn in business and positive result was very encouraging following the difficulties faced with severe weather and resulting adverse publicity regarding the South West region during the first quarter of 2014.

### Financial & Operational Review

Turnover for the half year ended 30 September 2014 increased by 18.3% (2013: 16.2%) to £12,132,978 (2013: £10,256,390). The 6.1% increase in passenger numbers for the period ended 30 September 2014 was a significant factor in this increase in Group revenue. In addition, revenue from work carried out in our dry dock facility on a string of vessels owned by external customers contributed to the increase in Group turnover.

Gross Profit increased by 36.0% (2013: 4.6%) to £3,470,758 (2013: £2,552,817). The company successfully controlled costs during the period which was assisted by the favourable weather conditions which reduced our passenger transfer costs. The improved performance of the company's dry dock facility, which has a high fixed cost base, also made a positive contribution to an improved gross profit performance.

Profit before tax at £3,478,234 (2013: £2,582,105) was 34.7% higher than in the previous half year (2013: 3.6%). Lower interest received resulted from the reduction in cash on medium term deposit following the significant capital investment in transforming Land's End Airport that included two asphalt runways, improved surface drainage, an extended aircraft apron and airfield ground lighting. These upgrades were part-funded by a European Regional Development Fund grant. This investment will improve the reliability and resilience of operations at Land's End Airport which has already allowed Skybus to operate flights during significant rainfall in October and November 2014.

The Group's balance sheet continues to strengthen. Fixed Assets increased since the year end by £1,560,578 to £10,902,166 following the investment at Land's End Airport. Cash held at the end of the first half decreased over the past six months to £1,719,001 due to the capital invested to replace the grass runways. Group net assets increased to £13,268,842 at 30 September 2014 compared to £9,511,717 at 31 March 2014.

### Outlook

Trading performance in the second half of the year is always significantly below the first half levels due to the seasonal nature of the visitor market to the Isles of Scilly. Turnover in the second half of the previous year was £3,499,930. The improving trend in passenger numbers continued in October with volume increasing by 7.5% for the month across all modes when compared to the previous year. Our dry dock facility continues to attract external vessels with bookings now being made for 2015 although the level of business is relatively hard to predict.

I am pleased to announce that our freight vessels the Gry Maritha and Lyonesse Lady have now exited the dry dock and are back in service following comprehensive overhauls including the refurbishment of the former's crane.

It is planned to complete the final stages of our investment in the Land's End Airport improvement programme in early 2015. This will see the planned introduction of an enhanced landing system allowing Skybus to operate in reduced visibility conditions further improving the reliability of our flight operations.

Finally, I would like to thank all of our staff for their dedication and commitment during an extremely busy summer period.

Rob Goldsmith  
CEO

18 December 2014

# Isles of Scilly Steamship Company Limited

## Consolidated profit and loss account

*For the period ended 30 September 2014*

	6 months to 30 September 2014 £	6 months to 30 September 2013 £	Year to 31 March 2014 £
<b>Turnover</b>	<b>12,132,978</b>	10,256,390	13,756,320
Cost of sales	<b>(8,662,219)</b>	(7,703,573)	(13,286,883)
	_____	_____	_____
<b>Gross profit</b>	<b>3,470,758</b>	2,552,817	469,437
Other operating income	-	-	18,293
	_____	_____	_____
<b>Operating profit</b>	<b>3,470,758</b>	2,552,817	487,730
Other interest receivable and similar income	<b>7,476</b>	29,288	34,586
	_____	_____	_____
<b>Profit on ordinary activities before taxation</b>	<b>3,478,234</b>	2,582,105	522,316
Taxation	<b>14,891</b>	(37,148)	(13,238)
	_____	_____	_____
<b>Profit on ordinary activities after taxation</b>	<b>3,493,125</b>	2,544,957	509,078
	=====	=====	=====

# Isles of Scilly Steamship Company Limited

## Consolidated balance sheet

As at 30 September 2014

	30 September 2014 £	30 September 2013 £	31 March 2014 £
<b>Fixed assets</b>			
Intangible assets	-	29,999	-
Tangible assets	<b>10,902,166</b>	8,640,939	9,341,588
	<hr/>	<hr/>	<hr/>
	<b>10,902,166</b>	8,670,938	9,341,588
	<hr/>	<hr/>	<hr/>
<b>Current assets</b>			
Stocks	<b>1,010,186</b>	1,144,773	1,280,933
Debtors	<b>2,416,191</b>	1,817,226	1,485,471
Cash at bank and in hand	<b>1,719,001</b>	3,108,715	2,981,955
	<hr/>	<hr/>	<hr/>
	<b>5,145,378</b>	6,070,714	5,748,359
	<hr/>	<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	<b>(2,778,702)</b>	(2,814,926)	(5,299,230)
	<hr/>	<hr/>	<hr/>
<b>Net current assets</b>	<b>2,366,676</b>	3,255,788	449,129
	<hr/>	<hr/>	<hr/>
<b>Total assets less current assets</b>	<b>13,268,842</b>	11,926,726	9,790,717
	<hr/>	<hr/>	<hr/>
<b>Provisions for liabilities and charges</b>	<b>(264,000)</b>	(317,000)	(279,000)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<b>13,004,842</b>	11,609,726	9,511,717
	<hr/>	<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	<b>1,320,561</b>	1,293,422	1,320,561
Share premium account	<b>27,139</b>	-	27,139
Profit and loss account	<b>11,657,142</b>	10,316,304	8,164,017
	<hr/>	<hr/>	<hr/>
<b>Shareholders' funds</b>	<b>13,004,843</b>	11,609,726	9,511,717
	<hr/>	<hr/>	<hr/>

# Isles of Scilly Steamship Company Limited

## Consolidated cash flow statement

*For the period ended 30 September 2014*

	<b>6 months to 30 September 2014 £</b>	6 months to 30 September 2013 £	Year to 31 March 2014 £
<b>Net cash (outflow)/inflow from operating activities</b>	<b>761,339</b>	(53,877)	924,979
<b>Returns on investments and servicing of finance</b>			
Interest received	<b>7,476</b>	29,288	34,586
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>7,476</b>	29,288	34,586
<b>Taxation</b>			
Corporation tax paid	-	-	(446)
	-	-	(446)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	<b>(2,050,769)</b>	(490,816)	(1,656,314)
Receipts from sales of tangible fixed assets	<b>19,000</b>	2,500	119,668
<b>Net cash outflow from capital expenditure</b>	<b>(2,028,708)</b>	(488,316)	(1,536,646)
<b>Equity dividends paid</b>	-	-	(62,138)
<b>Decrease in cash in the year</b>	<b>(1,262,954)</b>	(512,905)	(639,665)

# Isles of Scilly Steamship Company Limited

## Notes to cash flow statement

For the period ended 30 September 2014

### 1. Reconciliation of operating profit to net cash inflow from operating activities

	<b>6 months to 30 September 2014 £</b>	Year to 31 March 2014 £
Operating profit	3,470,758	487,730
Depreciation	468,130	702,277
Amortisation	-	35,999
Loss on sale of tangible fixed assets	3,061	75,580
Decrease/(increase) in stocks	(270,747)	(462,163)
(Increase)/decrease in debtors	(930,720)	615,411
(Decrease)/increase in creditors	(2,520,637)	(529,855)
	<u>761,339</u>	<u>924,979</u>

### 2. Reconciliation of net cash flow to movement in net funds

	<b>6 months to 30 September 2014 £</b>	Year to 31 March 2014 £
Decrease in cash	(1,262,954)	(639,665)
	<u>(1,262,954)</u>	<u>(639,665)</u>
<b>Movement in net funds in the year resulting from cash flows</b>	<b>(1,262,954)</b>	<b>(639,665)</b>
Net funds at 1 April 2014	2,981,955	3,621,620
	<u>2,981,955</u>	<u>3,621,620</u>
<b>Net funds at 30 September 2014</b>	<b>1,719,001</b>	<b>2,981,955</b>
	<u>1,719,001</u>	<u>2,981,955</u>

### 3. Analysis of changes in net funds

	At 31 March 2014 £	Cash flow £	At 30 September 2014 £
Cash at bank and in hand	2,981,955	(1,262,954)	1,719,001
	<u>2,981,955</u>	<u>(1,262,954)</u>	<u>1,719,001</u>
	<u>2,981,955</u>	<u>(1,262,954)</u>	<u>1,719,001</u>

# Isles of Scilly Steamship Company Limited

## Notes to the Financial Statements

For the period ended 30 September 2014

### 1. Basis of preparation

The interim report and accounts are unaudited. The consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2014 were approved by the Board on the 17 May 2014 and delivered to the Registrar of Companies. The report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

### 2. Profit and loss account

	<b>6 months to 30 September 2014 £</b>
At 31 March 2014	8,164,017
Profit for the period	3,493,125
	<hr/>
At 30 September 2014	11,657,142
	<hr/> <hr/>

### 3. Reconciliation of movements in shareholders' funds

	<b>6 months to 30 September 2014 £</b>	Year to 31 March 2014 £
Profit for the period	3,493,125	509,078
Dividends	-	(116,408)
	<hr/>	<hr/>
New share capital subscribed	3,493,125	392,670
Premium on issue of shares	-	27,139
	<hr/>	<hr/>
Net addition to shareholders' funds	3,493,125	446,948
Opening shareholders' funds	9,511,717	9,064,769
	<hr/>	<hr/>
Closing shareholders' funds	13,004,843	9,511,717
	<hr/> <hr/>	<hr/> <hr/>