

Holyhead Workboats Limited

Annual Report and Financial Statements
for the Year Ended 31 March 2018

Holyhead Workboats Limited

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Holyhead Workboats Limited
(Registration number: 07341750)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	3,184,348	4,632,460
Investments	<u>5</u>	3	3
		<u>3,184,351</u>	<u>4,632,463</u>
Current assets			
Debtors	<u>6</u>	559,927	188,593
Cash at bank and in hand		<u>677</u>	<u>48</u>
		560,604	188,641
Creditors: Amounts falling due within one year	<u>7</u>	<u>(3,952,688)</u>	<u>(4,101,723)</u>
Net current liabilities		<u>(3,392,084)</u>	<u>(3,913,082)</u>
Total assets less current liabilities		(207,733)	719,381
Creditors: Amounts falling due after more than one year	<u>7</u>	(263,202)	(1,264,276)
Provisions for liabilities		<u>(186,005)</u>	<u>(461,146)</u>
Net liabilities		<u>(656,940)</u>	<u>(1,006,041)</u>
Capital and reserves			
Called up share capital	<u>8</u>	1	1
Profit and loss account		<u>(656,941)</u>	<u>(1,006,042)</u>
Total equity		<u>(656,940)</u>	<u>(1,006,041)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 17 December 2018

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M B Gould
Company secretary and director

The notes on pages 2 to 9 form an integral part of these financial statements.
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Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Newry Beach Yard
Newry Beach
Holyhead
LL65 1YB
United Kingdom

These financial statements were authorised for issue by the director on 17 December 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest, income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value change recognised in profit and loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel, and the disclosure exemptions from paragraph 33.1A from disclosing transactions entered into between two or more members of a group. .

Group accounts not prepared

The financial statements contain information about Holyhead Workboats Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Holyhead Boatyard Limited, a company incorporated in England and Wales. .

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Going concern

The Company, together with other members of the Group, has entered into a cross company guarantee arrangement in relation to finance facilities.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group and Company is able to operate within the level of its current facilities. The current facilities and related covenants are agreed through to 2020.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 21 December 2018 was Gareth Lowe BSc FCA, who signed for and on behalf of Aston Hughes Limited.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- The amount of revenue can be reliably measured and;
- It is probable that future economic benefits will flow to the entity.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Other property, plant and equipment

Depreciation method and rate

Straight line over 15 years

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 those estimates.

The critical accounting judgement and key source of estimation uncertainty is considered to be the assessment of the carrying value of vessels. The company adopts a different approach for towing vessels and windfarm vessels.

The valuation of windfarm vessels has proved problematic as a result of continuing uncertainty in the market. The directors substantially wrote down the values of windfarm vessels in March 2016 and have decided on a further write down in March 2018. Recent vessel sales have given confidence that the current values are now broadly in line with market values.

The company's towing vessel has been valued annually by a suitably qualified independent valuer. While the vessel have again been valued as described, given current market conditions, the Directors have decided that, on a prudent basis, the values should be further reduced. The vessel value has therefore been reduced further in comparison with the independent valuation. From 1st April 2018, the policy will be amended so that vessels will be depreciated over their estimated useful lives.

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

3 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	249,139	249,139
Impairment loss	1,198,973	183,300
Exceptional item - write off intercompany debt	(1,165,000)	-

4 Tangible assets

	Other tangible assets £	Total £
Cost or valuation		
At 1 April 2017	7,712,088	7,712,088
At 31 March 2018	7,712,088	7,712,088
Depreciation		
At 1 April 2017	3,079,628	3,079,628
Charge for the year	249,139	249,139
Impairment	1,198,973	1,198,973
At 31 March 2018	4,527,740	4,527,740
Carrying amount		
At 31 March 2018	3,184,348	3,184,348
At 31 March 2017	4,632,460	4,632,460

Impairment

Other property, plant and equipment

Weak market conditions have led to the impairment. Cumulative provision for impairment at 31 March 2018: £2,247,881 (31 March 2017: £1,700,055).

The company's towing vessel has been valued annually by a suitably qualified independent valuer. While the vessels have again been valued as described, given current market conditions, the Directors have decided that, on a prudent basis, the values should be further reduced. The vessel value has therefore been reduced further in comparison with the independent valuation. The amount of impairment loss included in profit or loss is £547,826 (2017 - £183,300). The amount of impairment loss included in other comprehensive income is £Nil (2017 - £Nil).

5 Investments

	2018 £	2017 £
Investments in subsidiaries	3	3

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Subsidiaries	£
Cost or valuation	
At 1 April 2017	<u>3</u>
Provision	
Carrying amount	
At 31 March 2018	<u><u>3</u></u>
At 31 March 2017	<u><u>3</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
West Coast Development Services Limited	Newry Beach Yard Newry Beach Holyhead England and Wales	Ordinary shares	100%	100%

The principal activity of West Coast Development Services Limited is chartering of vessels.

6 Debtors

	Note	2018 £	2017 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest		534,410	163,076
Other debtors		<u>25,517</u>	<u>25,517</u>
		<u><u>559,927</u></u>	<u><u>188,593</u></u>

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

7 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	9	1,001,073	-
Amounts owed to group undertakings and undertakings in which the company has a participating interest		2,950,240	4,100,346
Accruals and deferred income		1,375	1,374
Other creditors		-	3
		<u>3,952,688</u>	<u>4,101,723</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	9	<u>263,202</u>	<u>1,264,276</u>
		2018 £	2017 £
Due after more than five years			
After more than five years not by instalments		-	410,312

8 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

9 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	<u>263,202</u>	<u>1,264,276</u>

Holyhead Workboats Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Bank loans are denominated in Sterling with interest rates varying between 5% fixed and 8% fixed and with a final end date in March 2019.

The bank loans, other loans, and bank overdrafts are secured against the assets of the Company.

Other commitments

The assets of the Company are subject to a Cross-Company Guarantee securing the liabilities owed by all the other Group Companies. All Group Companies are ultimately wholly owned by Holyhead Boatyard Limited.

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	1,001,073	-

10 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2017	461,146	461,146
Increase (decrease) in existing provisions	(275,141)	(275,141)
At 31 March 2018	186,005	186,005

11 Parent and ultimate parent undertaking

The company's immediate parent is Holyhead Towing Company Limited, incorporated in England and Wales.

The ultimate parent is Holyhead Boatyard Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Holyhead Boatyard Limited. These financial statements are available upon request from Companies House

The ultimate controlling party is Holyhead Boatyard Limited.

The address of Holyhead Boatyard Limited is:

Newry Beach Yard

Newry Beach

Holyhead

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.