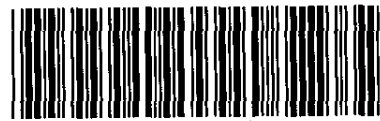


**CAMMELL LAIRD SHIPREPAIRERS  
& SHIPBUILDERS LIMITED**

**Annual Report and Financial Statements**

**For the Year ended 2 April 2022**

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## **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

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# **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

TE Allison - Chairman (resigned 27 April 2022)  
IGL Charnock  
HMM MacKenzie (resigned 8 March 2022)  
DT McGinley  
SK Underwood  
M Whitworth (Chairman with effect from 28 April 2022)

### **REGISTERED OFFICE**

Cammell Laird Shipyard  
Campbeltown Road  
Birkenhead  
Wirral  
CH41 9BP

### **BANKERS**

Barclays Bank plc  
Manchester City Office  
Manchester  
M60 2AU

### **AUDITOR**

RSM UK Audit LLP  
20 Chapel Street  
Liverpool  
L3 9AG

## **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

The directors present their strategic report, directors' report, and the audited financial statements of the Group for the year ended 2 April 2022.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Group during the year was the provision of ship repairs, ship building and marine services to ship owners and operators.

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The year ended 2 April 2022 has seen the fifth consecutive year of losses, the majority of these have been caused by the major new build project the RRS Sir David Attenborough. This was the third year of the two 10 year contracts to support the Royal Fleet Auxiliary (RFA), which on signing were estimated to generate £619m of revenue, however these activities have been overshadowed by the continuing financial performance of the business. The Group is working hard to return to profitability, and has made underlying progress in the year under review.

##### **Activity in the year**

RFA Tidesurge entered the facility for the first time for a major refit programme following its build in Korea and RFA TideSpring entered the yard for the second time under a long term maintenance contract. All four Tideclass vessels have had at least one refit and the team is gaining a better understanding of the work required on these vessels.

The United Kingdom Carrier Strike Group 21 was a British-led naval force that was deployed on Operational Fortis from May to December 2021. Fort Victoria and TideSpring were part of the naval force. The Company supported the deployment through the purchase of significant spares and physically attended a planned maintenance programme undertaken in the Pacific. Both vessels had very good availability statistics during the deployment.

In addition, work for BAE Systems on the Dreadnought Submarine programme has been undertaken and this is expected to continue for the next 10 years. This could be extended further when embodiment work starts on the Submersible Ship Nuclear Replacement (SSN(R)) programme.

HMS Dauntless, the first of six Type 45 destroyers was planned to arrive in December 2019 for its major Power Improvement Programme. It was delayed by six months and arrived in May 2020. It subsequently left on 14 June 2022, after a refit programme that was significantly extended beyond its original contract value. This was due both to working in confined spaces through the covid pandemic and contract scope growth. She has undergone extensive engine trials throughout the summer and is now back at the naval base in Portsmouth. As the first in class to complete the engine upgrade, it is expected that her programme of works will act as the foundation for the remaining ships in the class.

HMS Daring, the second Type 45 arrived at Cammell Laird in September 2021 and embodiment work started in March 2022. Significant knowledge has been gained from the first re-fit. The re-fit period is almost complete at a significantly reduced cost compared to HMS Dauntless and on a much improved timescale.

After several years laid up in Birkenhead Docks and being maintained in a state of readiness by the Company, stores ships RFA Fort Rosalie and RFA Fort Austin were sold by the Defence Equipment and Sales Authority (part of the Ministry of Defence) for further service to the Egyptian Navy in October 2021. Cammell Laird was awarded the contract to reactivate them. Fort Austin has emerged from dry dock re-named ENS Luxor and her sister has become ENS Abu Simbel. Cammell Laird has completed the re-fit works and ENS Luxor has arrived in Egypt.

Within the commercial market, work included dry-dockings for CalMac Ferries under a long term framework agreement, Isle of Man Steam Packet Group, Seatruck Ferries, Stena Ferries, Mersey Travel, Boluda and Svitzer Marine. The Irish Sea Pioneer, a rig servicing the energy platforms around the UK, continues to dock on a yearly basis. The Irish Lights Vessel Granuaile had a refit for the first time in many years.

##### **RRS Sir David Attenborough**

Work continued on the build of the RRS Sir David Attenborough, the Polar Research Vessel for the Natural Environment Research Council (NERC). This was a large scale project, started in October 2016 and one of the most complex ever undertaken in the shipyard.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### STRATEGIC REPORT (CONTINUED)

Work was delayed on the vessel due to Covid-19 and further design and engineering challenges meant that the formal handover of the vessel to its customer, NERC, did not take place until the 27 November 2020. Further contractual works continued during this financial year and she left the Cammell Laird shipyard on 1 July 2021. She has had a successful first trip to the Antarctic and has started her second visit, planning to be in the Rothera Research Station at Christmas 2022.

A number of design, production and supply chain issues have arisen on the project which had resulted in a significant increase in the actual and projected costs. The Group has, therefore, recorded a further cash outflow on the contract in the accounts for the year ended 2 April 2022. There are no further costs expected to be incurred on this project.

#### **Order book**

The Group was successful in winning the contract to maintain nine RFA vessels over the next 10 years in October 2018, and commenced the period under review with a strong order book. Two of these vessels have been sold to the Egyptian Navy and two are in a long term lay-up status. In October 2022, the MOD announced that the Royal Navy is to develop a new Multi Role Ocean Surveillance ship (MROSS) to protect our nation against hostile actors and grow our understanding of maritime threats. The first of these vessels has been purchased by MOD and will enter the Birkenhead yard for a re-fit programme.

In addition, the Group won a joint bid with BAE Systems and BMT for the Power Improvement Project for the six Type 45 vessels. The second T45 vessel, HMS Daring, entered the yard in September 2021.

Work continues to be performed on the Dreadnought submarine programme under a long term framework agreement.

The five largest Calmac vessels continue to be maintained at Cammell Laird under a long term framework agreement signed in October 2020.

#### **Financial performance**

There has been a decrease in turnover from £126,773,000 for the year ended 31 March 2021 to £94,437,000 for the year ended 2 April 2022. This is driven by having two RFA vessels in for the majority of the previous financial year and the work on the Sir David Attenborough being substantially completed during the prior year. The gross profit margin was 17.5% for the year ended 2 April 2022 (2021: 14.1%), the reduction in turnover from the RRS Sir David Attenborough, at very low margins in both years, contributes to this increase in margin.

The administrative expenses have decreased to £18,839,000 (2021: £20,560,000), partly as a result of the redundancy process announced in March 2021. The loss after tax for the financial year was £542,000 (2021: loss of £5,991,000).

As a result of challenging issues on the RRS Sir David Attenborough, there had been an increase in costs which in turn has contributed to cash flow pressures in the Group. The company's parent has continued to give significant cashflow support during the year (see note 21). This has been used to normalise the payment position with trade creditors. No cash support has been required for over a year and latterly, some funds have been repaid.

#### **Other developments in the year**

The Group has continued to invest in its apprentice training scheme, with the majority of the current workforce having completed an apprenticeship at the Engineering College adjacent to the shipyard. The Group continues to develop its workforce and aims to grow the yearly intake of apprentices, where we have taken on 26 in September 2020, 36 in September 2021 and 42 in September 2022. The company had over 500 applicants for the 2022 intake. It is a four year programme and there are 119 apprentices currently working for the Group in roles including welders, fabricators, electrical, HR, project management and finance.

In March 2021, the Group initiated a redundancy process. The main objective of the process was to secure the on-going employment of the remaining workforce and support the many hundreds of jobs which exist in the supply chain. The Group aims to grow its apprenticeship scheme and offer vital opportunities to local young people and adult apprentices, helping to develop essential skills for the future. This is a key plank in the strategy to ensure that Cammell Laird has a workforce that can adopt and absorb future technology change.

Investment in infrastructure, IT and Management systems is to be increased to ensure that we are well positioned to manage the current and future business successfully.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### STRATEGIC REPORT (CONTINUED)

The Group relies on temporary skilled labour to meet the peaks and troughs of customer demands. Following Brexit and the Covid-19 pandemic, the ability to source this labour remains increasingly difficult.

Within the year, the Group maintained its Health and Safety, Quality and Environmental accreditations.

### KEY PERFORMANCE INDICATORS ("KPIs")

The directors monitor the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non-financial KPIs and the principal ones are as follows:

	2022	2021
Turnover (£'000)	94,437	126,773
Gross profit margin as a percentage of turnover	17.5%	14.1%
Man hours sold (hours)	894,067	1,200,659
Supply chain purchases (£'000)	67,913	99,177

The reduction in man hours sold is due to the downturn in work driven by the Sir David Attenborough completing and less work on the RFA due to the operational requirements of vessels. This was a key consideration in the difficult decision to proceed with the redundancy process mentioned earlier.

### Future developments

With the completion of work on the RRS Sir David Attenborough, the focus of the business will be on the RFA Cluster Support Contract, the Dreadnought Programme, delivering a successful Type-45 programme and winning new long term agreements with customers to provide regular maintenance and refits on a recurring basis for multiple vessels. The Group will look to support block building on other major ship building projects.

On 10 March 2022, Prime Minister, Boris Johnson, and the Defence Secretary, Ben Wallace, announced plans to secure the future of shipbuilding in the UK for the next 30 years during a visit to the Cammell Laird shipyard.

The directors and management team look forward to the future with a level of confidence.

### SECTION 172 STATEMENT

Section 172 ('S172') of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, with respect to Cammell Laird Shiprepairers and Shipbuilders Limited, S172 requires a director to have regard, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and other stakeholders;
- impact of the Group's operations on the community and environment;
- desirability of the Group maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Group.

In discharging its S172 duties, the Board has had regard to the factors set out above, although at times, some factors may have been given greater weighting than others.

Appropriate regard was also given to other factors considered relevant to the decision being made, for example our relationship with regulators, industry bodies and other business relationships. We acknowledge that every decision the Board has made, or will make, will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. However, by giving consideration to key stakeholder groups and aligning our activities with our strategic plan, as well as the Group's culture and values, we aim to balance those different perspectives in the best interests of the Group over the long term.

We identify our key stakeholders as employees, customers, suppliers, communities, the environment, government and shareholders.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### STRATEGIC REPORT (CONTINUED)

The Board considers information from across the organisation to help it understand the impact of the Group's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance.

We consider the principal decisions to be those decisions taken by the Board directly, which should not be delegated to either management or a committee of the Board, and which may have a potentially material impact on the Group's strategy, a stakeholder group or the long-term value creation of the Group. We have grouped the Board's principal decisions into the following categories:

- financial results (the full year results);
- capital allocation (the approval of the annual budget);
- tax strategy;
- material supplier contracts;
- strategy review (the review of the Group's five year business plan); and
- Group statements (the approval of the Group's modern slavery statement and gender pay report).

Details of the Group's key stakeholders and how we engage with them are set out below.

#### *Employees*

Our employees are key to our success and we want them to be safe, well trained and successful, individually and as a team. We engage with our employees in a number of ways, including face-to-face briefings, newsletters, social media and through engagement with unions.

Key areas of focus include health and well-being, development opportunities, job security, pay and benefits.

Examples of ways in which the Group has responded to the expectations of employees include our response to Covid-19, with the emphasis on safe working practices, having continuous improvement of health and safety practices at the core of everything we do, publication of gender pay reports and development opportunities such as apprenticeship programs. The company managed to continue working on key national infrastructure projects during the pandemic and the support of our workforce during this time has been critical.

In March 2021 the company initiated a redundancy process. The main objective of the process was to secure the ongoing employment of the remaining workforce and support the many hundreds of jobs which exist in the supply chain. The company aims to grow its apprenticeship scheme and offer vital opportunities to local young people and adult apprentices, helping to develop essential skills for the future. This is a key plank in the strategy to ensure that Cammell Laird has a workforce that can adopt and absorb future technology.

The new management team did not take the resulting decision lightly. The company worked closely with the unions and no compulsory redundancies were required with 146 employees accepting voluntary redundancy. The process formally completed on 11 May 2021. The company has delivered on its commitment to the workforce by continuing to grow the number of apprenticeships that it offers and a further 42 have been recruited in September 2022. A pay agreement was reached with the unions on 23 September 2022, commencing 6 July 2022.

#### *Customers and suppliers*

We aim to deliver a high level of service to our customers who include BAE Systems, MOD and commercial operators. We build strong lasting relationships and spend time with them to understand their needs and listen to how we can improve our offer and service to them. We use this knowledge to inform our decision-making, for example to tailor our proposition to suit customer demands.

The Group's procurement function is engaged with building strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews. Key areas of focus include building long-term partnerships, fair terms and conditions and health and safety. The Board recognises that relationships with key suppliers are important to the Group's long-term success.

#### *Communities*

We engage with the local community in which we operate to build trust and understand the local issues that are important. Key areas of focus include how we can support and resolve any concerns that the community has with regard to the operation of our businesses, create opportunities to recruit local people and help to look after the environment.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### STRATEGIC REPORT (CONTINUED)

Our business employs a significant number of people from the local community. We engage constructively with community groups and individuals where they may have concerns regarding our operations, so we can be a good neighbour to those who live nearby. We also support local charities and community projects.

#### *Environment*

The environment has been considered to be strongly related to the local community and they are often considered together, although we are ever more conscious that the environment also impacts our customers and suppliers and is of increasing importance to our employees as well. The Group is committed to developing its business to meet the needs of its customers in a sustainable way, with initiatives such as reducing our carbon footprint through better energy management and recycling schemes. The Group also engages with key environmental stakeholders such as the Environmental Agency.

#### *Shareholders*

As owners of our Group, we rely on the support of shareholders and their opinions are important to us. Our shareholders appoint representatives to sit on the Board and matters relevant to the Group are discussed in meetings of that Board. Discussions with shareholders cover a wide range of topics, including funding, environment, health and safety ('EHS'), financial performance, strategy, outlook and the governance framework.

### **Principal business risks and uncertainties**

The management of the business and the execution of the Group's strategy are subject to a number of risks:

**Health and safety:** The Group remains totally committed to the health and safety of all employees, contractors and visitors and to date has seen a year on year improvement in the number of reportable incidents. Our employee liability insurance supplier has assisted the Group with independent advice to identify potential areas of concern in relation to health and safety and facilities to enable the development of mitigating actions.

**Brexit:** there remains some uncertainty over the ongoing impact of the withdrawal of the UK from the European Union. The Group will continue to monitor this risk and liaise with its suppliers to minimise any impact resulting from it.

**Personnel:** The Group has an apprentice training scheme at the adjacent Engineering College and continues to train sufficient numbers of apprentices to meet its committed commercial obligations and future business aspirations. Due to the nature of contracting businesses, from time to time the Group may be required to undertake restructuring programmes that may also involve redundancies. Wherever possible, the Group seeks to minimise these and engages actively with all stakeholders.

**Credit risk:** For larger value projects, the Group seeks to negotiate stage payments so that they are undertaken on a cash neutral basis. For medium size projects, the Group requires payment that at least covers the direct costs prior to the departure of the ship. In the absence of credit insurance, there remains a risk of bad debts on smaller value projects and this is managed via tight credit control procedures as well as constant monitoring of the customer base.

**Price risk:** For commercial repair activity, the Group negotiates prices on a contract by contract basis, and as such, continually monitors and reflects changes in labour and material prices. For MoD contracts, prices are agreed on a contract by contract basis in line with the cluster agreements, with prices subject to annual inflation adjustments.

**Liquidity risk:** The Group does not have any commercial borrowings and aims to enter into major contracts which have at least cash neutral payment terms via agreement of milestone payment plans. These are based on agreed payment plans for significant contracts. The Group continually looks at debtor and creditor days to manage working capital. Long-term projects are financed via stage payments, with balances paid on completion of contracts. If there is a shortage of liquidity then requests for funding are made to the shareholder by reference to financial forecasts prepared by management.

**Interest rate cash flow risk:** Due to the net positive cash position (after shareholder support) and with no outstanding bank borrowings, the Group is largely protected from movements in interest rates. The interest on the shareholder loan is at a fixed rate and will not be paid until the funds are available.

**Supply base:** A significant challenge is to grow the supply chain base in line with the business plans; however, in the short term this is mitigated by utilising a broad range of contractors and suppliers.



## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### STRATEGIC REPORT (CONTINUED)

**Market:** The Group operates in a competitive marketplace with nearly all its contracts awarded after commercial tender. The requirements of the tender include price but are also based on management structure, risk management, health and safety and security plans. The directors of the Group continuously focus on all of these aspects in the day to day running of the business.

**Other:** The Group operates from approved International Ship and Port Security (ISPS) yards and is independently accredited by Lloyds Register (LRQA) to BS-EN ISO9001-2015 (Quality), BS-EN 14001-2015 (Environmental) and ISO 45001-2018 (Safety) Management Systems. In addition, the Group has Cyber Essentials Plus status.

The Group is committed to working with employees for the benefits of both the Group and its workers and to this extent has a partnership agreement with Unite and GMBU. In addition, the Group is working with Liverpool Chamber of Commerce and Mersey Maritime to improve employee skill levels. The Group continues to support many local charitable organisations.

#### Going concern

As referred to in note 3 to the financial statements, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future, with continued financial support from its parent company, and for this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Covid-19

Covid-19 presents financial and operational risks within the business due to the challenges which may be faced by commercial customers. The key risks relate to any changes in demand caused by the pandemic. Having considered the results after the year-end, existing pipelines and future forecasts, the directors do not expect that Covid-19 will have a material impact on the Group's ability continue to trade successfully under its current business model. Further details on how the pandemic has affected the Group are presented in the directors' report on page 9.


#### Cost Inflation

Cost inflation in the United Kingdom is currently higher than that experienced in recent years. Costs from suppliers and payroll have been increasing but the customer contracts that Cammell Laird have put in place are largely inflation linked. This mitigates the risks to the business with cost inflation.

#### Ongoing conflict in Ukraine

The conflict in Ukraine has contributed to economic uncertainty in the United Kingdom. The majority of Cammell Laird's business comes from the MOD, either directly or via intermediaries. The programmes that Cammell Laird has are considered critical in this instance and would unlikely be affected by any escalations in the conflict.

Approved by the Board of Directors on 6 December 2022



D T McGinley  
Chief Executive Officer  
Cammell Laird Shipyard  
Campbeltown Road  
Birkenhead  
Merseyside  
CH41 9BP

## **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 2 April 2022. This report contains the statutory information disclosed in addition to that set out in the separate strategic report.

Details of future developments and going concern can be found in the strategic report and form part of this report by cross-reference.

### **DIVIDENDS**

There were no dividends declared and paid during the year (2021: £nil). No dividends have been declared or paid since the balance sheet date.

### **EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the Group as a whole.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office during the year and up to the date of signing the financial statements are disclosed on page 1.

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

No directors had any interest in the shares of the Group as at 2 April 2022.

### **CONTROL AND GOVERNANCE MATTERS**

As noted in the prior year statutory accounts, in January 2021, the company undertook a review of the costs and overheads in the business and uncovered significant misappropriation of funds. This involved a senior individual acting in isolation who had left the company and related to monies paid directly to him and to other parties for his personal benefit, over a number of years. There has been no further information come to light and an external investigation is ongoing.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks, including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes. However, the Group does, when considered appropriate, use forward contracts to guard itself against currency risk.

##### *Cash flow risk*

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. When appropriate the Group uses foreign exchange forward contracts to hedge these exposures.

##### *Credit risk*

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flow.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Except for the Royal Fleet Auxiliary contract and BAE, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has used financing from its shareholder.

Further details regarding liquidity risk can be found in the summary of significant accounting policies in the financial statements.

#### COVID-19

The global Covid-19 pandemic had brought about a period of unprecedented uncertainty and disrupted global economies and supply chains in ways not seen before. The Group had continued to trade during the period of government enforced restrictions on people and businesses during the Covid-19 pandemic, ensuring that crucial customer seaborne assets had remained available to transport goods into and from the United Kingdom. The Group managed to continuously work on all of its key defence contracts.

The health and wellbeing of our employees is at the forefront of our decision making. In order to continue to operate as close to normal as possible, while maintaining our core focus on health and safety, extensive cleaning and availability of hand sanitiser was initiated quickly. Signage was installed reminding employees and visitors to wash hands regularly and to maintain suitable social distancing measures. Visitors to our facilities and non-essential travel by employees was discouraged. Formal policies regarding the reporting of potential symptoms and the requirement to self-isolate were introduced and regular reporting of potential cases to the senior management team allowed for this to be monitored. As lockdown measures were introduced, employees were encouraged to work from home where practicable and appropriate support was put in place for employees who were considered to be vulnerable. Regular communications kept employees and third parties up to date as to how the Group is responding to the situation as it develops and as guidance is issued by the UK Government and regulatory authorities.

Continuing to operate as close to normal as possible during the pandemic necessitated the Group deploying many of its business continuity procedures and has shown the value of investment in technology, including that required to allow employees to work remotely where required.

At the time of preparing this report, the countries in which the Group has a level of dependence are starting to return to something approaching normality, although there is evidence of regional increase in incidence that is subject to specific government intervention, and it is clear that continued vigilance is required, and the Group is ensuring it plays its part in that regard.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### DIRECTORS' REPORT (CONTINUED)

Commercial opportunities will still present themselves, and the Group is engaging proactivity with customers and potential customers alike to identify ways in which we can provide Group-wide solutions for those companies looking to optimise their supply chains.

#### STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Cammell Laird Shiprepairers and Shipbuilders Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the year ended 2 April 2022.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas, LPG and acetylene and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		FY22	FY21	% change
<b>Energy (kWh)</b>				
	Natural gas	99,225	267,714	-62.9%
	LPG	54,282	56,421	-3.8%
	Acetylene	103,920	82,651	25.7%
	Company vehicles	304,567	441,521	-31.0%
	Electricity	8,033,842	8,186,986	-1.9%
	Business travel	65,018	46,559	39.6%
	<b>Total energy</b>	<b>8,660,854</b>	<b>9,081,852</b>	<b>-4.6%</b>
<b>Emissions (tCO<sub>2</sub>e)</b>				
Scope 1	Natural gas	18.2	49.2	-63.0%
Scope 1	LPG	11.6	12.1	-4.1%
Scope 1	Acetylene	25.5	20.3	25.6%
Scope 1	Company vehicles	76.6	106.2	-27.9%
Scope 2	Electricity	1,705.8	1,908.7	-10.6%
Scope 3	Business travel	16.1	11.0	46.4%
	<b>Total SECR emissions</b>	<b>1,853.8</b>	<b>2,107.5</b>	<b>-12.0%</b>
<b>Emission intensity ratio</b>				
<b>Emissions intensity (tCO<sub>2</sub>e / Intensity Metric (£m turnover))</b>		<b>19.64</b>	<b>16.62</b>	<b>18.2%</b>

Cammell Laird has reviewed and analysed key aspects of itself and its stakeholders to determine the strategic direction of the Group. As part of our compliance obligations, we have reviewed and identified all environmental aspects of our activities, process's, products, materials and waste streams produced by employees, subcontractors, customers, and other third parties that Cammell Laird has control or influence over.

In 2021, Cammell Laird committed to the United Nations' Race to Zero campaign by signing up to the Business Ambition for 1.5°C which commits Cammell Laird to setting science-based targets. We are developing a Net Zero Pathway roadmap and are considering the use of several strategic levers to enable emissions reductions as far as possible. Cammell Laird has also developed a Carbon Reduction Plan which has been completed in line with Government procurement standards

In line with these overarching strategic environmental commitments, we have implemented a number of energy saving and environmental initiatives:

- Reductions in floor space utilisation with the sale of Abbots Quay office, demolition of old Surgery building and vacating of the Bidston Dock during future reporting periods

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### DIRECTORS' REPORT (CONTINUED)

- Further development of the Cammell Laird Shiprepairers & Shipbuilders Limited. Sustainability Matters programme using our Energy Committee forums and management review process.
- Replacement of all lighting to LED and incorporation of sensors where possible to ensure energy is only used when required, by March 2024.
- Review of Energy Supply from Brown Energy Source to Green Energy Source.
- Installation of Electric Vehicle charging points on sites for visitors by October 2023.
- Replacement of on-site diesel vehicles (forklifts, vans, pickup trucks) with electric / biodiesel vehicles where possible.
- Investigating best fit salary sacrifice scheme for electric vehicles by March 2023.
- Electrification of the docks to replace hired in diesel generators used by customers when vessels are alongside.

#### Methodology

Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices in all cases.

*GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based and location-based methodologies. Where fuel mix disclosures were not available, such as for landlord supplies, the emissions factor for the residual fuel mix of the UK was instead adopted. Only emissions calculated using the location-based methodology have been carried into the total emissions figure – market-based emissions have been included for comparison only.*

LPG and acetylene disclosures were calculated from billing spreadsheets provided by suppliers. Transport disclosures have been calculated using a combination of fuel card transaction reports and business mileage expense claim records. For rental fuel and expense claims, total volume of fuel was calculated based upon average UK forecourt fuel prices over the reporting period and split between fuel types based upon estimated split of fuels in emission factors. For mileage claims, a standard mileage rate was used to convert financial value in mileage. Fuel volumes and mileages have been converted into equivalent energy and GHG emissions using emissions factors published by BEIS in 2021. Vehicle information such as engine size and type was not held against each mileage claim, therefore a vehicle of average size and fuel type was assumed.

#### RESEARCH AND DEVELOPMENT

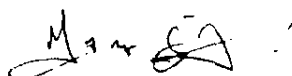
Innovation is driven by a growing team of naval architects and marine engineers. These technical specialists are supported by external resources, as well as operations and manufacturing teams in developing next generation solutions. Research and development tax credits continue to be received by the company on a yearly basis.

#### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



D T McGinley  
Chief Executive Officer  
Cammell Laird Shipyard  
Campbeltown Road  
Birkenhead  
Merseyside  
CH41 9BP  
6 December 2022

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company 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 Group and Company and of the profit or loss of the Group and the Company for that year.

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;*
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

#### Report on the audit of the financial statements

##### Opinion

We have audited the financial statements of Cammell Laird Shipbuilders and Shiprepairers Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 2 April 2022 which comprise the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement, the Consolidated reconciliation of operating loss to cash flow from operating activities 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 FRS 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 group's and of the parent company's affairs as at 2 April 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 group and parent 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 group's or the parent 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.

## **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED (CONTINUED)**

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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;

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, 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 group's and the parent 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 group or the parent 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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.



## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED (CONTINUED)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with the Health and Safety Executive.

The group audit engagement team identified the risk of management override of controls and measurement of revenue and amounts recoverable on long term contracts as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business; and
- challenging judgments and estimates applied in the measurement of revenue and amounts recoverable on long term contracts by comparing the outturn on projects with estimates made in preparing the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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.

*Alastair Nuttall*

Alastair John Richard Nuttall (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
20 Chapel Street  
Liverpool  
L3 9AG  
6 December 2022

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT

Year ended 2 April 2022

	Note	2 April 2022 £'000	31 March 2021 £'000
<b>TURNOVER</b>	5	94,437	126,773
Cost of sales		(77,941)	(108,875)
<b>GROSS PROFIT</b>		16,496	17,898
Administrative expenses excluding exceptional items		(18,839)	(20,560)
Exceptional items - restructuring costs	8	(233)	(4,316)
Administrative expenses		(19,072)	(24,876)
<b>OPERATING LOSS</b>		(2,576)	(6,978)
Net interest expense	9	(1,888)	(566)
<b>LOSS BEFORE TAXATION</b>	6	(4,464)	(7,544)
Taxation	10	3,922	1,553
<b>LOSS FOR THE FINANCIAL YEAR</b>		(542)	(5,991)

The loss for the financial year derives entirely from continuing activities

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 2 April 2022

	2 April 2022 £'000	31 March 2021 £'000
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	(542)	(5,991)

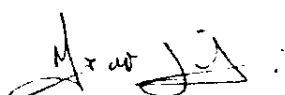
# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED BALANCE SHEET

	Note	As at 2 April 2022 £'000	As at 31 March 2021 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	6,917	7,669
<b>CURRENT ASSETS</b>			
Stock	13	21	459
Debtors amounts falling due within one year	14	37,422	30,817
Cash at bank and in hand	15	1,678	1,874
		<u>39,121</u>	<u>33,150</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> amounts falling due within one year	16	(69,139)	(60,053)
<b>NET CURRENT LIABILITIES</b>		<u>(30,018)</u>	<u>(26,903)</u>
Provision for liabilities	18	-	(3,325)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>(23,101)</u>	<u>(22,559)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	-	-
Share premium account		450	450
Profit and loss account		<u>(23,551)</u>	<u>(23,009)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(23,101)</u>	<u>(22,559)</u>

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on 6 December 2022.

Signed on behalf of the Board of Directors by:



D T McGinley  
Chief Executive Officer

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

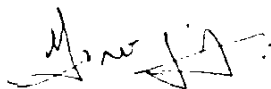
## COMPANY BALANCE SHEET

	Note	As at 2 April 2022 £'000	As at 31 March 2021 £'000
<b>FIXED ASSETS</b>			
Investments	11	-	-
Tangible assets	12	6,917	7,669
		<u>6,917</u>	<u>7,669</u>
<b>CURRENT ASSETS</b>			
Stock	13	-	437
Debtors amounts falling due within one year	14	37,711	31,498
Cash at bank and in hand	15	1,399	1,823
		<u>39,110</u>	<u>33,758</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> amounts falling due within one year	16	(69,128)	(60,661)
<b>NET CURRENT LIABILITIES</b>		<u>(30,018)</u>	<u>(26,903)</u>
Provision for liabilities	18	-	(3,325)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(23,101)</u>	<u>(22,559)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	-	-
Share premium account		450	450
Profit and loss account		(23,551)	(23,009)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(23,101)</u>	<u>(22,559)</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent Company profit and loss account. The Company loss for the year ended 2 April 2022 was £542,000 (2021: loss £5,991,000).

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on 6 December 2022.

Signed on behalf of the Board of Directors by:



D T McGinley  
Chief Executive Officer

**CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**Year ended 2 April 2022**

	<b>Called-up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>As at 1 April 2020</b>	-	450	(17,018)	(16,568)
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>-</u>	<u>(5,991)</u>	<u>(5,991)</u>
<b>As at 31 March 2021</b>	-	450	(23,009)	(22,559)
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>-</u>	<u>(542)</u>	<u>(542)</u>
<b>As at 2 April 2022</b>	<u>-</u>	<u>450</u>	<u>(23,551)</u>	<u>(23,101)</u>

**CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**Year ended 2 April 2022**

	<b>Called-up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>As at 1 April 2020</b>	-	450	(17,018)	(16,568)
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>-</u>	<u>(5,991)</u>	<u>(5,991)</u>
<b>As at 31 March 2021</b>	-	450	(23,009)	(22,559)
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>-</u>	<u>(542)</u>	<u>(542)</u>
<b>As at 2 April 2022</b>	<u>-</u>	<u>450</u>	<u>(23,551)</u>	<u>(23,101)</u>

# CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 2 April 2022

	2 April 2022 £'000	31 March 2021 £'000
<b>Net cash outflow from operating activities</b>	(13,947)	(26,360)
Taxation received	2,339	-
	<u>(11,608)</u>	<u>(26,360)</u>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets (note 12)	(598)	(1,655)
Sale of fixed assets	-	495
	<u>(598)</u>	<u>(1,160)</u>
<b>Cash flow from financing activities</b>		
Shareholder loans (note 16)	12,010	15,500
	<u>(196)</u>	<u>(12,020)</u>
<b>Net decrease in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	1,874	13,894
Cash and cash equivalents at the end of the year	<u>1,678</u>	<u>1,874</u>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank and in hand	1,678	1,874
<b>Cash and cash equivalents</b>	<u>1,678</u>	<u>1,874</u>

## CONSOLIDATED RECONCILIATION OF OPERATING LOSS TO CASH FLOW FROM OPERATING ACTIVITIES

	2 April 2022 £'000	31 March 2021 £'000
Operating loss	(2,576)	(6,978)
Depreciation	1,350	1,321
Loss on sale of fixed assets	-	(59)
Decrease/(Increase) in stocks	438	(31)
Increase in debtors	(5,021)	(464)
Decrease in creditors	(4,813)	(23,474)
(Decrease)/Increase in provisions for liabilities	(3,325)	3,325
<b>Net cash outflow from operating activities</b>	<u>(13,947)</u>	<u>(26,360)</u>

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

#### 1. GENERAL INFORMATION

The Company is a private limited company limited by shares and is incorporated in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

#### 2. STATEMENT OF COMPLIANCE

The financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the current and prior financial periods, is set out below.

##### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 of the financial statements.

##### *Going concern*

The business activities, together with the factors likely to affect its future development, performance and positions are set out in the Strategic Report. The Group is financed by loans provided by the Company's shareholders which have decreased to £38.6m since the balance sheet date.

In considering the appropriateness of the going concern basis of preparation, the directors have considered financial forecasts for the next twelve months from the date of signing the 2022 financial statements, which include detailed cash flow forecasts and working capital availability, and have taken account of reasonably possible sensitivities for changes in trading performance.

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Company's shareholder has confirmed that it will continue to provide financial support, including not recalling amounts already provided, for the period covered by the financial forecasts. The directors reasonably believe that the shareholders have the means to provide such support. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the available exemptions to not disclose in its individual entity financial statements:

- a) A statement of cash flows; and
- b) Key management personnel compensation in total.



## CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

#### *Basis of consolidation*

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 2 April.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

#### *Foreign currencies*

##### *(i) Functional and presentation currency*

The financial statements are presented in pound sterling and rounded to thousands.

The Group's functional and presentation currency is the pound sterling.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into functional currency using the spot exchange rates at the dates of transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### *Revenue recognition*

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

#### *Employee benefits*

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### *(i) Short-term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is rendered.

##### *(ii) Defined contribution pension plans*

Employees are eligible to join a Stakeholder Pension Plan. Pension costs are charged to the profit and loss account as they fall due. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. The assets of the plan are held separately from the Group in independently administered funds. Unpaid Employer contributions of £58,303 were outstanding as at 2 April 2022 (2021: £58,223) and were paid when falling due.

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

#### *Taxation*

Taxation expense for the year comprises current and deferred tax recognised in the reporting year.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is with the exception of deferred taxation assets, which are recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on an undiscounted basis.

#### *Tangible fixed assets*

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and equipment	3 – 20 years
Leasehold improvements	3 – 20 years
Fixtures and fittings	3 – 5 years
Motor vehicles	5 years

No depreciation is charged on assets in the course of construction until they are fully complete and brought into use at which point, they are transferred into the relevant asset category.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

#### *Fixed asset investments*

Fixed asset investments are stated at cost less provisions made for impairment in value.

#### *Provisions*

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within the interest payable and similar expenses.

#### *Leased assets*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

#### *Stocks*

Stocks are stated at the lower of original purchase price and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate

#### *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

#### *Financial instruments*

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments

##### *(i) Financial assets*

Basic financial assets are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### *(ii) Financial liabilities*

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value. Changes in the value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### *Contract balances*

Amounts recoverable on contracts are shown at valuation, less amounts invoiced or received. Valuation includes the cost of materials and direct labour, together with attributable profit, estimated to be earned to date. Direct labour hours are used to determine the level of completion for routine and normal ship repair contracts. In circumstances where application of the above policy would unduly accelerate or delay the recognition of profits materially, other direct costs are taken into account. Full provision is made for any known or anticipated losses. The excess of payments received over amounts recorded as turnover is classified under creditors within one year as payments on account.

#### *Government grants*

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

R&D Expenditure Credits (RDEC) are refundable credits administered through the tax system. The credits are treated as government grants and the tax credit is recognised within pre-tax income (in cost of sales).

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

#### *Share capital*

Ordinary shares are classified as equity.

#### *Distributions to equity holders*

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

#### *Related party transactions*

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group's financial statements. The ultimate holding company is Tokenhouse Limited, a company incorporated in the Isle of Man which is controlled by the Billown 1997 Settlement Trust.

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *(i) Critical judgements in applying the Group's accounting policies*

###### *Deferred Taxation*

Deferred tax assets arising from unused tax losses or tax credits are only recognised to the extent that there are sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised. Management have applied judgement in evaluating whether sufficient taxable profits will be available by reference to forecast financial information and budgets.

##### *(ii) Key source of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

###### *Revenue recognition*

The Group accounts for certain contracts using the percentage completion method, recognising revenue by reference to the stage of completion of the contract which is determined by the actual costs incurred as a proportion of total forecast contract costs. This method places considerable importance on accurate estimates of the extent of progress towards completion of the contract, and the remaining costs required to deliver the services promised under the contract to the customer. These significant estimates include total contract costs, total contract revenues, contract risks, including technical risks, and other assumptions. Under the percentage of completion method, the changes in these estimates and assumptions may lead to an increase or decrease in revenue recognised at the balance sheet date with in-period revenue recognition appropriately adjusted as required. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. The stage of completion is monitored regularly, with any estimates required in relation to revenue recognition being based on all available information and past performance. In the event that a contract is identified as being loss making, all losses are provided for in full as soon as they become apparent based on the latest projected total contract costs and total contract revenues in accordance with the requirements of FRS 102.

See note 14 for amounts recoverable on contracts at the balance sheet date.

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 5. TURNOVER

All turnover was generated in the UK from the only class of business being ship repair, ship building and marine services, is set out below.

	2 April 2022 £'000	31 March 2021 £'000
Contracts	94,437	124,336
Proceeds from insurance claim	-	2,437
	<u>94,437</u>	<u>126,773</u>

### 6. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:

	2 April 2022 £'000	31 March 2021 £'000
Depreciation of tangible fixed assets – owned	1,350	1,321
Operating leases – other	3,709	3,828
Machinery and equipment hire	3,224	667
Government grants – coronavirus job retention scheme	360	1,685
Government grants – research & development expenditure credits	1,938	1,500
<b>Auditor's remuneration</b>		
For the audit of the Group's annual financial statements	110	100
Taxation compliance services	9	9
Taxation advisory services	-	25
All other non-audit services	-	30

### 7. STAFF COSTS

	2 April 2022 £'000	31 March 2021 £'000
Wages – net of coronavirus job retention scheme	24,060	30,794
Social security costs	2,418	3,790
Pension costs	439	308
<b>Staff costs</b>	<u>26,917</u>	<u>34,892</u>

Staff costs of £nil (2021: £7,000) have been capitalised in the year.

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 7. STAFF COSTS (Continued)

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

	2022 Number	2021 Number
Operations	518	640
Administration	53	53
	<u>571</u>	<u>693</u>
<i>Directors and key management personnel</i>		
	2 April 2022 £'000	31 March 2021 £'000
Emoluments	<u>157</u>	<u>306</u>

There are no directors with benefits accruing under a Company pension scheme (2021: none). The highest paid director received emoluments of £157,000 for the year ended 2 April 2022 (2021: £137,000).

### 8. RESTRUCTURING COSTS

In March 2021, the Group initiated a redundancy process. The main objective of the process was to secure the on-going employment of the remaining workforce and support the many hundreds of jobs which exist in the supply chain.

	2 April 2022 £'000	31 March 2021 £'000
Redundancy costs (note 18)	-	3,325
Other restructuring costs	<u>233</u>	<u>991</u>
	<u>233</u>	<u>4,316</u>

Cash outflow from operating activities includes £3,558,000 (2021: £991,000) in respect of the above items

### 9. INTEREST PAYABLE

	2 April 2022 £'000	31 March 2021 £'000
Interest payable and similar expenses		
Shareholder interest payable	<u>1,888</u>	<u>566</u>

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 10. TAXATION

	2 April 2022 £'000	31 March 2021 £'000
<b>Current tax</b>		
UK corporation tax	368	285
Total current tax credit	368	285
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,132)	(1,577)
Adjustments in respect of previous periods	(1,369)	(261)
Effect of changes in tax rates	(1,789)	-
Total deferred tax credit (note 17)	(4,290)	(1,838)
Total taxation	(3,922)	(1,553)

The tax credit for the year is higher than (2021: higher than) the loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK. The differences are explained below:

	2 April 2022 £'000	31 March 2021 £'000
<b>Loss on ordinary activities before taxation</b>	(4,464)	(7,544)
Loss on ordinary activities, multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(848)	(1,433)
Effects of:		
Expenses not deductible for tax purposes	84	27
Changes in tax rates	(1,789)	-
Adjustments in respect of previous periods	(1,369)	(147)
Total taxation	(3,922)	(1,553)

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023. Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023. As this rate change had been substantively enacted before the balance sheet date, deferred tax has been provided for at 25%.

### 11. FIXED ASSET INVESTMENTS

	Company	
	As at 2 April 2022 £'000	As at 31 March 2021 £'000
Shares in group undertakings	-	-

## CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

The Company had the following investments all registered in England and Wales at 2 April 2022:

Name of investment	Class of share capital held	Holding	Nature of business
Neway Industrial and Environmental Services Limited*	Ordinary	100%	Industrial Cleaning
Atlantic Engineering & Laboratories Limited*	Ordinary	100%	Engineering

\*Registered office – Cammell Laird Shipyard,  
Campbelltown Road, Birkenhead, CH41 9BP

Neway Industrial and Environmental Services Limited (registered number 06503981) and Atlantic Engineering & Laboratories Limited (registered number 08444283) have taken advantage of an exemption from audit under section 479A of the Companies Act 2006. The Company has guaranteed all outstanding liabilities to which Neway Industrial and Environmental Services Limited and Atlantic Engineering & Laboratories Limited were subject as at 2 April 2022 until they are settled in full. This guarantee is given in accordance with section 479C of the Companies Act 2006.

#### 12. TANGIBLE FIXED ASSETS

##### Group

	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2021	5,281	12,177	483	387	18,328
Additions	14	429	155	-	598
At 2 April 2022	5,295	12,606	638	387	18,926
<b>Accumulated depreciation</b>					
At 1 April 2021	3,433	6,550	316	360	10,659
Charge for the period	304	953	79	14	1,350
At 2 April 2022	3,737	7,503	395	374	12,009
<b>Net book value</b>					
At 2 April 2022	1,558	5,103	243	13	6,917
At 31 March 2021	1,848	5,627	167	27	7,669



# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 12. TANGIBLE FIXED ASSETS (CONTINUED)

Company	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2021	5,281	12,177	483	354	18,295
Additions	14	429	155	-	598
At 2 April 2022	5,295	12,606	638	354	18,893
<b>Accumulated depreciation</b>					
At 1 April 2021	3,433	6,550	316	327	10,626
Charge for the period	304	953	79	14	1,350
At 2 April 2022	3,737	7,503	395	341	11,976
<b>Net book value</b>					
At 2 April 2022	1,558	5,103	243	13	6,917
At 31 March 2021	1,848	5,627	167	27	7,669

At 2 April 2022, there were no capital commitments contracted but not provided for in the financial statements (2020: £nil).

### 13. STOCK

	Group		Company	
	As at 2 April 2022 £'000	As at 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000
Raw materials and consumables	21	459	-	437

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 14. DEBTORS

	Group		Company	
	As at	As at	As at	As at
	2 April 2022	31 March 2021	2 April 2022	31 March 2021
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	9,930	7,344	9,708	7,396
Amounts recoverable on contracts	10,687	9,990	10,687	9,990
Amounts owed by group undertakings	-	-	1,098	649
Amounts owed by related parties (note 22)	93	-	93	-
Other debtors	1,663	1,866	1,061	1,843
RDEC recoverable	2,785	3,554	2,785	3,554
Group relief receivable	-	1,000	-	1,000
Other taxation and social security	990	1,079	1,005	1,082
Corporation tax receivable	2,558	2,190	2,558	2,190
Deferred tax asset (note 17)	8,716	3,794	8,716	3,794
	<u>37,422</u>	<u>30,817</u>	<u>37,711</u>	<u>31,498</u>

Amounts owed by group undertakings and related parties are subject to normal trading terms and are not secured.

### 15. CASH AT BANK AND IN HAND

	Group		Company	
	As at	As at	As at	As at
	2 April 2022	31 March 2021	2 April 2022	31 March 2021
	£'000	£'000	£'000	£'000
Cash at bank	<u>1,678</u>	<u>1,874</u>	<u>1,399</u>	<u>1,823</u>

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	As at	As at	As at	As at
	2 April 2022	31 March 2021	2 April 2022	31 March 2021
	£'000	£'000	£'000	£'000
Trade creditors	12,479	21,504	11,941	20,953
Deferred income	1,388	1,288	1,388	1,288
Amounts owed to parent undertaking	39,460	27,450	39,460	27,450
Amounts owed to group undertakings	-	-	525	1,326
Amounts owed to related parties (note 22)	339	396	339	396
Other taxation and social security payable	765	910	772	773
Accruals	14,708	8,505	14,703	8,475
	<u>69,139</u>	<u>60,053</u>	<u>69,128</u>	<u>60,661</u>

Amounts owed to parent undertaking are unsecured, at 5% interest and had no fixed date of repayment

Amounts owed to group undertakings and related parties are subject to normal trading terms and are not secured

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 17. DEFERRED TAXATION

	Group		Company	
	As at 2 April 2022 £'000	As at 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000
At 1 April	(3,794)	(5,146)	(3,794)	(5,146)
Adjustment in respect of prior years	-	(261)	-	(261)
Deferred tax credit for the year	(4,290)	(1,577)	(4,290)	(1,577)
Reclassification	368	2,190	368	2,190
Losses surrendered	(1,000)	1,000	(1,000)	1,000
At 2 April 2022	<u>(8,716)</u>	<u>(3,794)</u>	<u>(8,716)</u>	<u>(3,794)</u>

The net deferred tax asset is recorded in debtors (note 14).

	Group		Company	
	As at 2 April 2022 £'000	As at 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000
Losses	(7,890)	(3,401)	(7,890)	(3,401)
Accelerated capital allowances	(170)	(227)	(170)	(227)
Short term timing differences	(656)	(166)	(656)	(166)
	<u>(8,716)</u>	<u>(3,794)</u>	<u>(8,716)</u>	<u>(3,794)</u>

During the year, the deferred tax asset in respect of RDEC was reclassified as corporation tax receivable as it more accurately reflects the substance of the asset.

The RDEC balance is expected to be recoverable in full.

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 18. PROVISIONS FOR LIABILITIES

	<i>Group</i>		<i>Company</i>	
	As at	As at	As at	As at
	2 April 2022	31 March 2021	2 April 2022	31 March 2021
	£'000	£'000	£'000	£'000
Restructuring provision	-	3,325	-	3,325
	-	3,325	-	3,325
	<b>Restructuring provision</b>			
	<b>£'000</b>			
<b>Group</b>				
1 April 2021	3,325			
Used in the year	(3,325)			
2 April 2022	-			
<b>Company</b>				
1 April 2021	3,325			
Used in the year	(3,325)			
2 April 2022	-			

The restructuring provision relates to redundancy costs incurred following the announcement of the redundancy process in March 2021. As of July 2022, all of the workers affected had left employment.

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2 April 2022

### 19. CALLED UP SHARE CAPITAL AND RESERVES

	Group		Company	
	As at 2 April 2022	As at 31 March 2021	As at 2 April 2022	As at 31 March 2021
	£'000	£'000	£'000	£'000
<b>Allotted, called up and fully paid</b>				
24,585 Ordinary A shares of 1p each	246	246	246	246
8,749 Ordinary B shares of 1p each	87	87	87	87
	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>

**Dividends** – Unless the holders of the majority of A ordinary shares and the holders of a majority of B ordinary shares agree, an amount equal to 75% of the Company's profit available for distribution in respect of each financial period shall be distributed by the Company to the shareholders by way of a dividend.

**Voting rights** – The Ordinary A & B shares have equal voting rights.

**Rights in winding up** – the shareholders shall prove to the maximum extent permitted by law for all sums due or to fall due to them respectively from the Company and shall exercise all rights of set-off.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

	2022 £'000	2021 £'000
<b>Equity dividends</b>		
Equity dividends paid during the year	<u>-</u>	<u>-</u>

### 20. FINANCIAL COMMITMENTS

As at 2 April 2022, the Group had the following minimum lease payments for land under non-cancellable operating leases for each of the following periods:

	As at 2 April 2022	As at 31 March 2021
	£'000	£'000
Within one year	3,527	3,678
Within two to five years	13,790	13,941
After five years	25,943	29,319
	<u>43,260</u>	<u>46,938</u>

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 2 April 2022

### 21. NET DEBT RECONCILIATION

	As at 31 March 2021 £'000	Cash flow £'000	As at 2 April 2022 £'000
Cash	1,874	(196)	1,678
Shareholder funding	(27,450)	(12,010)	(39,460)
Net debt	<u>(25,576)</u>	<u>(12,206)</u>	<u>(37,782)</u>

### 22. RELATED PARTY TRANSACTIONS

During the year, the following transactions were entered into in the ordinary course of business with parties, related due to common control:

Group	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	Year ending 2 April 2022 £'000	Year ending 31 March 2021 £'000	Year ending 2 April 2022 £'000	Year ending 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000
The Mersey Dock & Harbour Company Limited	-	-	894	1,678	-	-	55	223
The Manchester Ship Canal Company Limited	-	7	-	-	-	-	-	-
Peel Ports Investments Limited	-	-	120	-	-	-	-	-
Peel L&P Property Investments Limited	-	-	3,484	3,685	-	-	-	-
A&P Falmouth Limited	-	-	746	-	-	-	281	-
A&P Group Limited	136	1	535	297	93	-	-	155
Seaforth Power Limited	-	-	29	35	-	-	3	3
Liverpool & Manchester Ship Canal Port Security Authority Limited	-	-	7	15	-	-	-	15
	<u>136</u>	<u>8</u>	<u>5,815</u>	<u>5,710</u>	<u>93</u>	<u>-</u>	<u>339</u>	<u>396</u>

During the year ended 2 April 2022, the Group received funding from its parent of £12,010,000 (2021: £16,250,000). An amount of £39,460,000 was outstanding as at 2 April 2022 (2021: £27,450,000)

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 2 April 2022

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

Company	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	Year ending 2 April 2022 £'000	Year ending 31 March 2021 £'000	Year ending 2 April 2022 £'000	Year ending 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000	As at 2 April 2022 £'000	As at 31 March 2021 £'000
The Mersey Dock & Harbour Company Limited	-	-	894	1,678	-	-	55	223
The Manchester Ship Canal Company Limited	-	7	-	-	-	-	-	-
Peel Ports Investments Limited	-	-	120	-	-	-	-	-
Peel L&P Property Investments Limited	-	-	3,484	3,685	-	-	-	-
A&P Falmouth Limited	-	-	746	-	-	-	281	155
A&P Group Limited	136	1	535	297	93	-	-	-
Seaforth Power Limited	-	-	29	35	-	-	3	3
Liverpool & Manchester Ship Canal Port Security Authority Limited	-	-	7	15	-	-	-	15
	<u>136</u>	<u>8</u>	<u>5,815</u>	<u>5,710</u>	<u>93</u>	<u>-</u>	<u>339</u>	<u>396</u>

### 23. GUARANTEES AND CONTINGENCIES

The company's assets are pledged as security to the bank in respect of any bank loans or overdrafts. At 2 April 2022, there were no such amounts owing to the bank.

### 24. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent undertaking to be Tokenhouse Limited, a company incorporated in the Isle of Man which is controlled by the Billown 1997 Settlement Trust.