Boskalis Westminster (Holdings) Limited

Report and consolidated financial statements

Registered number 282243

Year ended 31 December 2020

Contents

Company information

Directors

P M De Jong
S R Ramsey

Secretary

S R Ramsey

Auditors

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Strategic report

Boskalis Westminster (Holdings) Limited and subsidiaries, 'the Group', continued to be one of the largest providers of maintenance dredging services in the United Kingdom. The Group continues to take advantage of its access to offshore aggregate winning areas, by successfully undertaking beach renourishment projects and supplying dredged material to aggregates customers around the United Kingdom. Boskalis Group expertise is utilised to secure strategic capital works, where the Group looks to deliver a complete marine infrastructure service.

The management of the Group use a number of key financial and other performance indicators in reviewing the Group's performance. Foremost among these are the following:

	31 December 2020	31 December 2019
Turnover (£000)	**50,703**	57,131
Gross profit as a percentage of turnover	**26.6%**	28.8%
Operating profit as a percentage of turnover (excluding exchange losses)	**14.1%**	14.6%
Net current assets (£000)	**23,387**	20,813
Current ratio (current assets to current liabilities)	**2.5:1**	2.1:1
Number of employees	**122**	120

The safety of our own employees and those employed by our subcontractors is a core value within our organisation and is given top priority. Our central safety objective is 'No Injuries No Accidents' (NINA). This is also the name of our progressive safety program, which enjoys broad support amongst our employees.

As anticipated, the company saw a reduction in turnover in 2020 compared to 2019. This result is reflective of a cautious market offering limited new opportunities whilst the uncertainty surrounding the impact of the Covid-19 pandemic and Brexit remained. Margin decreased in 2020 compared to 2019, also in line with expectations. The higher result in 2019 was predominantly attributable to the successful completion of two contracts, where claims and variations were concluded.

During the year the arrangement with Rothesay Life Plc to buy out the Pension scheme was completed and responsibility for the administration and payment of benefits was transferred to Rothesay Life Plc with effect from 1 June 2020, at which date the Trustee and Employer Companies ceased to have any involvement in the provision of benefits to members and their dependants, as detailed in note 26.

2020 saw significant disruption caused by the Covid-19 pandemic. Wherever possible, from March onwards many staff members worked from home. However, this was not possible for those members of staff working on projects, and therefore maximum precautions had to be taken to ensure the health, safety and wellbeing of our employees. A temporary set of managements documents, 'Covid-19 Outbreak management System' (COMS), a 'YES' scan (Yourself, Equipment, Surroundings) with reference to Covid-19 guidance and detailed instructions for mariners were introduced in order to continue safe operations. These actions, along with an increased focus on managing working capital allowed projects to continue with minimal impact to the result.

Despite the recent challenges, the outlook for 2021 is positive. The Group's strong presence in the maintenance dredging market provides a stable base on which to pursue any new capital projects. Heading into 2021 this main portfolio of maintenance contracts is supplemented by two large capital contracts awared towards the end of 2020. Management are aware new dredging and land reclamation projects will largely be determined by commercial conditions which, in turn, will be determined by current economic circumstances.

The Group continues to implement the policies of the management team and maintain a strong cost focus to help make the most from any opportunities offered by the market.

Strategic report *(continued)*

The Boskalis integrated quality management system 'Way of Working' continued to be implemented and refined throughout the year. The system aims to place focus on client requirements whilst delivering solutions in a safe and sustainable manner. The system covers all business aspects from identifying client needs, project preparation, through to project execution, control and risk management.

The management of the Group regularly reviews the financial and other risks to which the Group is exposed. The following are considered to be the principal risks that could affect the Group's future operating profits or financial position in an adverse and material way:

- Cancellation of major projects which the Group had every reason to expect would be awarded to them;
- Delays in projects coming out to tender due to unforeseen economic uncertainty;
- Availability of dredging plant due to other commitments across the worldwide Boskalis Group;
- Delays in ongoing projects due to adverse weather conditions.
- Further disruption caused by Covid-19 impacting the Group's ability to deliver on its contracts including, enforced travel restrictions on personnel, unavailability of key suppliers and vessels, and reduced staff and crewing levels due to adherence to government led medical advice.

These and other risks are under continual review by the management in order that, wherever possible, corrective action can be taken to minimise any adverse effects.

Corporate Social Responsibility (CSR)

The Group has recognised that the market it operates in demands appreciation and awareness of the close interaction between business requirements and the environment and it has developed an environmental policy consistent with these.

The Group has always ensured it is being proactive and operating in-line with industry standards as well as being very active with stakeholder engagement. And a more robust and comprehensive local CSR strategy is being implements to compliment the Boskalis Group CSR policies.

In 2019, a UK working-group was established to develop a CSR strategy, and to share and progress ideas designed to achieve this strategy.

Utilising the United Nations Sustainable Development Goals (SDGs) Compass, 5 key areas have been identified:

- Environmental Innovation
- Community Engagement
- Safe Work
- Responsible Business
- Care for Human Capital

The Group continued to develop and work to achieving its strategy in 2020, focussing on the areas listed above by delivering specific initiatives and activities in the UK.

Strategic report *(continued)*

Statement in compliance with section 172 of the Companies Act 2006

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of The Companies Act 2006.

The Board is responsible for the overall strategy and management of the Group and seeks to promote the long term success of the Group for the benefit of its members. In doing so the Board considers the impact of its decisions on key stakeholders including Shareholders, Employees, Suppliers, Customers the Community and the Environment.

Shareholders

Boskalis Westminster (Holdings) Limited is a subsidiary of Royal Boskalis Westminster N.V. (RBW) and works closely with the main board of management to implement the strategic objectives and policies of the wider Boskalis Group. Further information is published in the Annual Report and Corporate Social Responsibility Report of Royal Boskalis Westminster N.V., which are available as set out in note 24.

Regular meetings are held to review the Group's performance, as well as annual budget reviews and longer term 3-year plans. Discussions and involvement with key personnel within RBW on areas such as the tendering for projects ensure the projects and direction of the Group are in line with the strategy set by the main board of management.

Employees

Our staff include local employees as well as those staff employed by the wider Group who may be assigned to work on UK projects. The Group's long-term success is dependent on the commitment and expertise of our employees in order to successfully deliver increasingly complex projects. Care for Human Capital is one of the 5 key areas identified in our CSR statement above. The Group follows Boskalis' code of conduct and diversity policy and operate a strict equal opportunities policy for all employees.

Employee safety and wellbeing is a key focus and a robust reporting and investigation process is in place for any incident which occurs. Our incident investigation process is to be enhanced in the coming year in order to further improve employee safety. In 2019 the Group's employees took part in a worldwide feedback forum, out of which several key areas were identified, and action taken. These actions included the development of a knowledge sharing platform and an online learning centre, these provide employees with resources to engage and learn not just within their own area but also with colleagues from other disciplines and areas of the business.

Suppliers

Working across the UK we recognise the need to engage with local suppliers as well as working regularly with larger/repeat suppliers on certain projects. Our suppliers are fundamental to the successful completion of our projects - both in terms of quality and timing. Our Purchase and Accounts Payable Team and local project staff engage directly with suppliers. Centrally, larger suppliers may be required to tender for work, resulting in contracts being put in place aimed at providing clarity on requirements which, in turn, aids in contributing to the success of both parties.

When deciding which suppliers to work with several factors are considered, not just from a financial aspect but also their CSR policies, this ensures we work with the right supplier for all company stakeholders. Audits are carried out on suppliers on a random basis and where it is identified, Boskalis will work with suppliers to assist them to make improvements to the advantage of both parties. Further to this, the Board reviews the HMRC Payment Practices Reporting process to review how successfully the Group meets its payment obligations. Where appropriate, the Board permits earlier payments to certain suppliers, typically smaller suppliers who may be experiencing liquidity issues. This tends to have limited impact on the Group's working capital but is positive action for local suppliers.

Strategic report *(continued)*

Customers

Our business sees us working regularly with some of our customers as well as engaging with new customers with differing levels of experience within the industry. Key to the long-term success of the Group involves working flexibly with our customers, particularly our regular customers, to deliver our services when the client requires it and as cost effectively as possible. Our experience also enables us to work with clients at the early stages of a project to offer alternative solutions, thereby delivering an enhanced service and improving the company reputation.

Furthermore, we find that client requirements are increasingly focused on CSR and environmental actions, particularly carbon emission reduction, with ever higher marks assigned to these elements in the scoring assessment matrices. These requirements, in part, have led to the further development of our CSR strategy as described within this Strategic Report on page 3.

Community and Environment

The Directors are aware of the environmental impacts of the Group's operations and as a global business have committed to become climate neutral by 2050. Nearly all emissions are caused by the fleet vessels utilised in the Group's projects and development is ongoing to investigate the use of low carbon and alternative fuels.

Working across the UK means the Group engages with local suppliers as mentioned above. The Group has also participated in a number of STEM events and have investigated opportunities of potentially working with other locally based groups, the latter will be developed further during 2021 when Covid-19 restrictions allow. Environmentally, we have been looking at ways of improving our offices, and the Board has targeted becoming carbon neutral and to offset our office emissions, alongside those generated by staff travel through tree planting or blue carbon capture.

This report was approved by the board of directors on 30th June 2021 and signed on its behalf by:

P M de Jong
Director

Westminster House
Crompton Way
Fareham
Hampshire
PO15 5SS

Directors' report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2020 for Boskalis Westminster (Holdings) Limited and subsidiaries, 'the Group'.

The results of the Group for the year are set out in the profit and loss account on page 13. The profit on ordinary activities after taxation amounted to £9,297,000 *(year ended 31 December 2019: £7,780,000)* and was transferred to reserves. During the year, the directors paid an interim dividend of £3,500,000 (year ended 31 December 2019: £6,250,000*)*.

Going Concern Statement
The financial statements have been prepared on a going concern basis. The group has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully. The directors have a reasonable expectation that for a period of 12 months from the date of approving the group financial statements for the year ended 31 December 2020, the group has adequate resources (see note 1) to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

When considering the company's ability to perform its contractual duty and continue to operate as a going concern the directors specifically consider the impacts of the Coronavirus, Covid-19, pandemic announced by the World Health Organisation (WHO) on the 11th March 2020.

Boskalis quickly put into place measures to protect the health and safety of its employees and to ensure operations were affected as little as possible. These measures include the introduction of:

- a comprehensive Covid-19 Outbreak Management System (COMS), being a temporary set of management documents, which guide crew and project staff in managing the crisis,
- the YES scan (Yourself, Equipment, Surroundings) with reference to Covid-19 guidance.
- detailed instructions for mariners; many of whom are required to remain on vessels for longer periods of time than normal.
- sharper focus on cash and working capital management including various initiatives aimed at limiting non-*project-related* expenditure.

The measures put into place have largely allowed projects to continue with minimal impact on the company's ability to operate. The Directors see the largest impact from the Covid-19 pandemic being mainly pressure in the market, where some tenders have been delayed and competition is extremely fierce.

With the Group as a whole having a strong portfolio of work heading into 2021, high tender activities and the new key processes and measures put in place, the Directors are satisfied that the company is well placed to weather the storm of the Covid-19 pandemic and considered the going concern assumption is still appropriate.

Directors
The directors who served during the year were as follows:

P De Jong	
S Ramsey	Appointed 1 October 2020
R Richards	Resigned 1 October 2020

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Appointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors Ernst & Young LLP ceased to hold office and Grant Thornton UK LLP were appointed to office for the year ended 31 December 2020.

This report was approved by the board of directors on 30th June 2021 and signed on its behalf by:

P M de Jong
Director

Westminster House
Crompton Way
Fareham
Hampshire
PO15 5SS

Statement of directors' responsibilities

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 group and the parent company will continue in business.

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

The directors confirm that:

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

Independent auditor's report to the members of Boskalis Westminster (Holdings) Limited

Opinion

We have audited the financial statements of Boskalis Westminster Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprises the Group statement of comprehensive income, Group statement of financial position, Company statement of financial position, Group statement of cash flows, Group statement of changes in equity, Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 and 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.

Independent auditor's report to the members of Boskalis Westminster (Holdings) Limited (continued)

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Independent auditor's report to the members of Boskalis Westminster (Holdings) Limited *(continued)*

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, and legal and regulatory correspondence. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

Independent auditor's report to the members of Boskalis Westminster (Holdings) Limited *(continued)*

- journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet; and
    - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of other intangible assets and trade receivables.
- Our audit procedures involved:
    - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
    - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that increased revenue or that reclassified costs from the income statement to the balance sheet;
    - challenging assumptions and judgements made by management in its significant accounting estimates; and
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

Use of our report

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

Grant Thornton UK LLP

Amanda James BFP ACA FCCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
Date: 2 July 2021

Group income statement
for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Turnover	2	**50,703**	57,131
Cost of sales		**(37,218)**	(40,691)
Gross profit		**13,485**	16,440
Administrative expenses		**(6,262)**	(8,105)
Operating profit		**7,223**	8,335
Share of operating profit in joint ventures		**55**	316
Share of operating profit / (loss) in associates		**3,148**	(154)
Total operating profit		**10,426**	8,497
Profit on disposal of tangible fixed asset investment		**63**	1
Other interest receivable and similar income	*6*	**129**	134
Other finance income	*7*	**-**	661
Interest payable and similar charges	*8*	**(115)**	(96)
Profit on ordinary activities before taxation	*3*	**10,503**	9,197
Taxation on profit on ordinary activities	*9*	**(1,206)**	(1,417)
Profit on ordinary activities after taxation and amount transferred to reserves		**9,297**	7,780

The results in both the current and previous year relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation or the retained profit for the year and their historical cost equivalents.

The notes on pages 19 to 39 form part of the financial statements.

Group statement of comprehensive income
for the year ended 31 December 2020

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit for the financial year	**9,297**	7,780
Actuarial loss recognised in the pension scheme (note 26)	-	(805)
Net exchange differences on the retranslation of net investments and related borrowings	**(101)**	94
Total recognised profit relating to the financial year	**9,196**	7,069

Group statement of financial position
at 31 December 2020

	Note	31 December 2020 £000	31 December 2020 £000	31 December 2019 £000	31 December 2019 £000
Fixed assets					
Tangible assets	11		1,197		1,238
Investments in joint venture:	12		495		440
Investments in associates	13		3,166		37
			4,858		1,715
Current assets					
Stock	15	684		454	
Debtors falling due within one year	16	37,871		37,120	
Cash at bank and in hand		498		699	
		39,053		38,273	
Creditors: amounts falling due within one year	17	(15,666)		(17,460)	
Net current assets			23,387		20,813
Total assets less current liabilities			28,245		22,528
Provisions for liabilities and charges	18		(83)		(62)
Net assets			28,162		22,466
Capital and reserves					
Called up share capital	20		3,600		3,600
Other reserve			99		200
Profit and loss account			24,463		18,666
Total equity			28,162		22,466

These consolidated financial statements were approved by the board of directors on 30th June 2021 and were signed on its behalf by:

P M de Jong
Director

The notes on pages 19 to 39 form part of the financial statements.

Company statement of financial position
at 31 December 2020

	Notes	31 December 2020		31 December 2019	
		£000	£000	£000	£000
Fixed assets					
Investments	*14*		18,994		19,008
Current assets					
Debtors	*16*	20,769		17,822	
Cash at bank and in hand		10		7	
		20,779		18,129	
Creditors: amounts falling due within one year	*17*	(17,497)		(14,910)	
Net current assets/(liabilities)			3,282		2,919
Net assets			22,276		21,927
Capital and reserves					
Called up share capital	*20*		3,600		3,600
Profit and loss account			18,676		18,327
Total equity			22,276		21,927

These consolidated financial statements were approved by the board of directors on 30th JUNE 2021 and were signed on its behalf by:

P M de Jong
Director

Group statement of cash flows
for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Net cash inflow from operating activities	27	3,561	6,421
Investing activities			
Interest received		129	134
Dividends received from joint ventures		-	184
Dividends received from associated companies		-	17
Receipts from sale of fixed assets		70	142
Payments to acquire fixed assets		(264)	(474)
Net cash flow from investing activities		(65)	3
Financing activities			
Equity dividends paid		(3,500)	(6,250)
Interest paid		(115)	(96)
Net cash outflow from financing activities		(3,615)	(6,346)
(Decrease) / increase in cash and cash equivalents		(119)	78
Effect of exchange rates on cash and cash equivalents		(82)	92
Cash and cash equivalents at 1 January		699	529
Cash and cash equivalents at 31 December		498	699

Group statement of changes in equity

for the year ended 31 December 2020

	Share capital	Other reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 31 December 2018	3,600	106	17,941	21,647
Profit for the year	-	-	7,780	7,780
Dividends paid	-	-	(6,250)	(6,250)
Actuarial loss recognised in the pension scheme (note 26)	-	-	(805)	(805)
Net exchange differences on the retranslation of net investments and related borrowings	-	94	-	94
At 31 December 2019	3,600	200	18,666	22,466
Profit for the year	-	-	9,297	9,297
Dividends paid	-	-	(3,500)	(3,500)
Net exchange differences on the retranslation of net investments and related borrowings	-	(101)	-	(101)
At 31 December 2020	3,600	99	24,463	28,162

Company statement of changes in equity

for the year ended 31 December 2020

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
At 31 December 2018	3,600	13,052	16,652
Profit for the year	-	12,330	12,330
Dividends paid	-	(6,250)	(6,250)
Actuarial loss recognised in the pension scheme (note 26)	-	(805)	(805)
At 31 December 2019	3,600	18,327	21,927
Profit for the year	-	3,849	3,849
Dividends paid	-	(3,500)	(3,500)
At 31 December 2020	3,600	18,676	22,276

Notes

(forming part of the consolidated financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's consolidated financial statements except where it is noted below.

Statement of compliance

Boskalis Westminster (Holdings) Limited is a private limited liability company incorporated in England. The company is limited by shares. Registered Office is Westminster House, Crompton Way, Fareham, Hampshire, PO15 5SS.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2020.

Basis of preparation

The financial statements of Boskalis Westminster (Holdings) Limited were authorised for issue by the Board of Directors on the date shown on the statement of financial position. The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Basis of consolidation

The Group financial statements consolidate the financial statements of Boskalis Westminster (Holdings) Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Boskalis Westminster (Holdings) Limited as permitted by s408 of Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtained control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the Group financial statements, joint ventures and associates are accounted for using the equity method.

Under s408 of the Companies Act 2006 the company has taken advantage of the exemption from the requirement to present its own profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) and key sources of estimation have the most significant effect on amounts recognised in the financial statements:

Contract accounting

As a significant portion of the Group's activities are undertaken through construction contracts, the Group is required to make estimates in accounting for revenue and margin. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. At the year end the Group does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in relation to active construction contracts that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year.

Company investments

As detailed in the accounting policy note, investments in group companies are held at cost less impairment. If there are indicators of impairment, the impairment review looks at the net asset position of the investments and at the year end the Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in relation to the recoverability of these net asset valuations.

Going concern

The financial statements have been prepared on a going concern basis. The group has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and industries. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 5 and in the Directors' report on pages 6 to 7. The directors have used a degree of judgement and their best estimates for key assumptions in preparing forecasts for the going concern assessment and are monitoring the current macroeconomic environment with the impact of COVID-19. The directors believe that the Group is well placed to manage its business risks successfully and have a reasonable expectation that for a period of 12 months from the date of approving these Group financial statements, the Group has adequate resources to continue in operational existence. These resources include a deposit due from Boskalis Finance B.V which can be drawn down should it be required (see note 16). Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Subsidiary audit exemption

Under s479A of the Companies Act 2006, the following subsidiaries are exempt from the audit of their individual financial statements due to the existence of a parental guarantee given by Boskalis Westminster (Holdings) Limited, the parent undertaking of this group which prepares these consolidated accounts:

- Rock Fall Company Limited (0128025)
- Cofra Limited (7814472)
- Llanelli Sand Dredging Limited (0338917)
- Westminster Gravels Limited (2380267)
- Boskalis Offshore CI Limited (01220931)
- Boskalis EOD Services (UK) Limited (08607296)
- Boskalis Marine Services Ltd (02063791)
- C-Crew Ltd (SC149705)

Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher or its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying value , the carrying value is impaired and it is reduced to its recoverable amount through an impairment in the profit and loss.

An impairment loss is reversed in a subsequent period if the reasons for impairment have ceased to apply.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is at rates calculated to write off the costs, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery depreciation has been fixed at percentages between 15% - 30% of the net book value based on the life expectancy of the assets.

Any vessel improvements are held within plant and machinery and are written off on a straight line basis over the period of the future economic benefit arising from the expenditure

Other assets are written off on the basis of fixed annual percentages of the original cost:

Long leasehold land and buildings – 50 years (2% per annum).

Short leasehold land and buildings – over period of lease.

Fixtures and fittings – 4 years (25% per annum).

Assets under construction are not depreciated. Assets under construction are transferred to the asset account on the earlier of; completion, delivery or when all or part of the asset is put into use.

Investments

Investments are accounted for at cost less impairment. The holding value is reviewed annually against net asset position of the investment, and any changes in value are recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Stocks

Raw materials and consumables are valued at the lower of cost and net realisable value. Sand and gravel is valued at the lower of estimated cost and net realisable value. Estimated cost is determined by reference to dredging costs and a proportion of overhead expenses.

Trade debtors and amounts recoverable on contracts

Trade and other receivables are stated initially at fair value and subsequently at amortized cost less accumulated impairment losses, such as doubtful debts.

Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Turnover

Turnover is the revenue arising from the sale of goods and services from capital and other contracts. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts and includes work that has in whole or part has been subcontracted out.

For capital contracts, turnover includes the initial amount agreed in the contract plus any variations in the contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. Revenue is recognised in profit and loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs of each contract.

For other contracts and services, revenue is recognised to the extent that work has been carried out and the revenue is receivable.

Research and development

Expenditure on research and development is written off when incurred.

Leases

The rental charges on operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Notes *(continued)*

1 Accounting policies *(continued)*

Pensions

The Group operated a defined benefit pension scheme covering some of the Group's salaried employees. The scheme funds were administered by trustees and are independent of the Group's finances. The defined benefit scheme closed for future accrual on 1 April 2012, and all active members were enrolled in a defined contribution pension scheme.

With effect from 18 March 2019 the Trustees entered into an arrangement with Rothesay Life Plc to buy out the scheme during the financial year ended 31 December 2019. Wind-up of the Scheme was triggered 22 November 2019. The responsibility for the administration and payment of benefits was transferred to Rothesay Life Plc with effect from 1 June 2020 at which date the Trustee and Employer Companies ceased to have any involvement in the provision of benefits to members and their dependants.

The Group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independent administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

Foreign currencies

The assets and liabilities of foreign Group companies that are denominated in functional currencies other than Sterling have been translated at the exchange rates as at the end of the reporting period. The profit and loss items of the foreign Group companies concerned have been translated at average exchange rates, which approximate the applicable exchange rates at transaction settlement date. Resulting currency translation differences are added or charged directly to other reserves in Group equity.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividends payable are recognised as a liability in the financial statement in the period in which the dividends are approved. These amounts are recognised in the statement of changes in equity.

1 Notes *(continued)*

2 Turnover

Turnover represents the total amount receivable from customers, excluding value added tax:

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
United Kingdom	44,059	51,103
Europe	6,644	4,922
Rest of World	-	1,106
	50,703	57,131

Included in turnover is £9,987,000 (2019: £11,157,000) for the sale of sand and gravel, the balance is for the provision of services.

3 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging/(crediting):

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Profit on sale of tangible fixed asset	(63)	(1)
Depreciation	298	242
Foreign exchange (gains) / losses	(37)	33
Hire of other assets		
- operating leases relating to vessel hire	7,718	12,008
- operating leases relating to land and buildings	113	105
- other operating leases	171	195
Auditor's remuneration:		
Audit of these consolidated financial statements	72	40
Audit of subsidiaries	62	103

Notes *(continued)*

4 Remuneration of directors

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Directors' remunerations	409	431
Directors' pension costs	67	78
	476	509

The remuneration for the highest paid director, for the year ended 31 December 2020 was £243,000 (2019: £234,000).

One director was remunerated by Baggermaatschappij Boskalis BV, a fellow subsidiary of Royal Boskalis Westminster N.V and recharged to Boskalis Westminster Limited (2019: One).

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	Number	Number
Management, finance and administration	43	45
Site and technical	79	75
	122	120

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Wages and salaries	6,861	6,413
Social security costs	781	720
Pension costs	704	693
	8,346	7,826

Notes *(continued)*

6 Other interest receivable and similar income

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Interest receivable on intercompany balances	129	131
Other interest received	-	3
	129	134

7 Other finance income

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Interest on pension scheme liabilities (note 26)	-	(401)
Less: Expected return on pension scheme assets (note 26)	-	1,219
Less: Curtailment costs (note 26)	-	(157)
	-	661

The responsibility for the administration and payment of benefits was transferred to Rothesay Life Plc with effect from 1 June 2020 at which date the Trustee and Employer Companies ceased to have any involvement in the provision of benefits to members and their dependants.

8 Interest payable and similar charges

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
Interest payable on intercompany balances	115	96
	115	96

Notes *(continued)*

9 Taxation

Analysis of charge in year

	Year ended 31 December 2020	Year ended 31 December 2019
	£000	£000
UK Corporation Tax		
Current tax on income for the year	1,329	1,423
Adjustments in respect of prior year	(142)	(46)
Total current tax	1,187	1,377
Deferred tax (see note 19)		
Reversal of timing differences	19	40
Tax on profit on ordinary activities	1,206	1,417

Factors affecting the tax charge for the current year

The current tax charge for the year is lower *(year ended 31 December 2019: lower)* than the standard rate of corporation tax in the UK of 19% *(year ended 31 December 2019: 19%)*. The differences are explained below.

	Year ended 31 December 2019	Year ended 31 December 2019
	£000	£000
Total tax reconciliation		
Profit on ordinary activities before tax	10,503	9,197
Current Tax at 19% *(year ended 31 December 2018: 19%)*	1,996	1,747
Effects of:		
Expenses not deductible for tax purposes	11	(1)
Rate change adjustment	26	-
Movement on unrecognised deferred tax	1	(21)
Income from shares in associated undertakings	(608)	(35)
Pension spreading	(101)	(254)
Movement on carried forward losses	28	(23)
Adjustment in respect of prior years	(142)	16
Other differences	(5)	(12)
Total tax charge	1,206	1,417

Notes *(continued)*

9 Taxation *(continued)*

In November 2015, reductions in the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 were fully enacted. In September 2016, a revision to reduce the rate of corporation tax from 1 April 2020 to 17% was fully enacted. During the year, it was confirmed that the rate reduction would not take place, and in March 2020, holding of the corporation tax rate at 19% from 1 April 2020 was fully enacted. In March 2021 it was announced that the rate of corporation tax would increase to 25% from 1 April 2023, this is yet to be enacted. The deferred tax liability at 31 December 2020 has been calculated based on the rate of 19% (31 December 2019: 17%).

10 Dividends

	Year ended 31 December 2020	Year ended 31 December 2019
Amounts recognised as distributions to equity holders in the year:		
	£000	£000
Interim dividend	**3,500**	6,250

The directors have not proposed a final dividend for 2019 or 2020.

11 Tangible fixed assets - Group

	Long leasehold property	Short leasehold property	Plant and Machinery	Fixtures, fittings, tools and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2020	1,162	288	3,732	904	6,086
Additions	-	-	110	154	264
Disposals	-	-	(77)	(387)	(464)
At 31 December 2020	**1,162**	**288**	**3,765**	**671**	**5,886**
Depreciation					
At 1 January 2020	692	288	3,062	806	4,848
Charge for the year	23	-	225	50	298
Disposals	-	-	(70)	(387)	(457)
At 31 December 2020	**715**	**288**	**3,217**	**469**	**4,689**
Net book value					
At 31 December 2020	**447**	**-**	**548**	**202**	**1,197**
At 31 December 2019	470	-	670	98	1,238

There are no tangible fixed assets held within the parent company.

Notes *(continued)*

12 Investments in joint venture – Group

	Joint Entity
	£000
Valuation	
At beginning of year	440
Result in the financial year	55
At end of year	495
Net book value	
At 31 December 2020	495
At 31 December 2019	440

The joint venture is in relation to Pevensey Coastal Defence Limited, a company registered in England and Wales. Boskalis Westminster (Holdings) Limited has an indirect holding of 61.4% of the ordinary share capital, however the shareholder agreement is structured such that no one party has control and therefore this company is accounted for as a joint venture. No dividends were received during the year to 31 December 2020 (Year to 31 December 2019: £184,000).

13 Investments in associates - Group

	Participating Interest
	£000
Valuation	
At beginning of year	37
Result in the financial year	3,129
At end of year	3,166
Net book value	
At 31 December 2020	3,166
At 31 December 2019	37

The participating interest is in relation to two companies. Boskalis Canada Dredging & Marine Services Limited, a company registered in Canada, in which Boskalis Westminster (Holdings) Limited holds 49% of the ordinary share capital. And VBA Limited, a company registered in England and Wales, in which Boskalis Westminster (Holdings) Limited has an indirect holding of 15% of ordinary share capital. Boskalis Westminster Limited did not receive a dividend in the year to 31 December 2020 (Year to 31 December 2019: £17,000) from VBA Limited.

Notes *(continued)*

14 Fixed assets investments - Company

Company

	Shares in Group undertakings
	£000
Cost	
At 31 December 2019	20,249
Additions	-
At 31 December 2020	**20,249**
Impairment	
At 31 December 2019	1,241
Impairment	14
	1,255
Net book value	
At 31 December 2020	**18,994**
At 31 December 2019	19,008

Fixed asset investments comprise of companies forming part of the Group and are valued at historic cost. The net assets of the companies are reviewed annually, and where the value of net assets falls below the investment cost an impairment loss is recognised.

At 31 December 2020 additional impairment of £14,000 was charged (2019 impairment reversed: £249,000).

Notes *(continued)*

14 Fixed assets investments – Company (continued)

The principal companies in which the company's interest at the year end is more than 50% are:

Significant Group undertakings	Class and percentage of shares held	Registered address
Dredging and land reclamation		
Boskalis Westminster Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Boskalis Marine Contracting Limited (non-trading)	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Irish Dredging Company Limited *	100% Ordinary	Pembroke House, Pembroke Street, Cork, Ireland
Marine drilling and blasting		
Rock Fall Company Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Bottom and shore protection		
Boskalis EOD Services (UK) Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Specialist geotechnical		
Cofra Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Marine dredged aggregates		
Llanelli Sand Dredging Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Westminster Gravels Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Quay Wall construction		
Boskalis Offshore CI Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
Marine Services		
Boskalis Marine Services Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom
C-Crew Limited	100% Ordinary	Westminster House, Crompton Way, Segensworth West, Fareham, Hampshire, PO15 5SS, United Kingdom

15 Stock - Group

	31 December 2020 £000	31 December 2019 £000
Raw materials and consumables	293	226
Sand and gravel	391	228
	684	454

There is no stock held within the parent company. There is no significant difference between the replacement cost of the inventory and its carrying amount.

Notes *(continued)*

16 Debtors

	31 December 2020		31 December 2019	
	Group	Company	Group	Company
	£000	£000	£000	£000
Due within one year				
Trade debtors	6,818	-	5,365	-
Amounts recoverable on contracts	3,497	-	3,578	-
Amount owed by Group undertakings	26,117	20,769	25,730	17,822
Other debtors	1,439	-	2,447	-
	37,871	20,769	37,120	17,822

Trade debtors are stated after provisions for impairment of £259,000 (2019: £275,000)

Included in the above amount owed by group undertakings is a balance due from Boskalis Finance B.V. of £27,500,000 (2019: £26,000,000). This deposit renews annually on 1 April unless either party provides notice to terminate, the notice period is 30 days. The interest applicable is based on 3-month GBP-Libor minus a margin of 0.50%. In situations where the 3-month Libor is lower than 0.50%, the spread will be reduced to the level of the 3-month Libor but will never be reduced beyond zero.

17 Creditors

	31 December 2020		31 December 2019	
	Group	Company	Group	Company
	£000	£000	£000	£000
Due within one year				
Trade creditors	1,676	59	1,063	2
Amounts owed to Group undertakings	2,839	15,443	4,902	13,288
Corporation tax	1,682	719	1,538	1,460
Accruals and deferred income	7,789	183	9,470	160
Other taxation and social security	1,680	1,093	487	-
	15,666	17,497	17,460	14,910

The interest applicable on the above amount owed to group undertakings is based on 3-month GBP-Libor minus a margin of 0.50%. In situations where the 3-month Libor is lower than 0.50%, the spread will be reduced to the level of the 3-month Libor but will never be reduced beyond zero.

Notes *(continued)*

18 Provisions for liabilities and charges - Group

	Contract losses £000	Deferred tax £000	Total £000
Provision at 1 January 2020	35	27	62
Charged to the profit and loss account	2	19	65
Provision at 31 December 2020	**37**	**46**	**83**

Provisions for contract losses are generated when the expected cost of execution exceeds turnover on the project. The above contract loss is expected to be utilised in 2021. Details of the deferred tax provision are included in note 19. There are no provisions held within the parent company.

19 Deferred tax

Deferred tax is to be measured at average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. During the year, it was confirmed that the rate reduction from 19% to 17% would not take place, thereby holding the corporation tax rate at 19%.

A deferred tax liability of £46,000 (year ended 31 December 2019: £27,000 liability) is held within provisions.

At 31 December 2020 the Group had an additional deferred tax asset of £124,000 (31 December 2019: £118,000) relating to timing differences between accumulated depreciation and capital allowances. The group also has deferred tax assets of £467,000 (31 December 2019: £415,000) in relation to prior year losses and £nil (31 December 2019: £91,000) in relation to restrictions on additional contributions to the defined benefit pension scheme during the year. Deferred tax assets are not recognised unless it is probable they can be recovered in the foreseeable future.

20 Called up share capital and reserves

	31 December 2020 £000	31 December 2019 £000
Authorised, allotted, called up and fully paid		
3,600,000 Ordinary shares of £1 each	**3,600**	3,600

Other Reserve
This reserve records the translation result on the consolidation of foreign subsidiaries.

Profit and loss account
The profit and loss account records the distributable retained earnings for the company

21 Contingent liabilities – Group and Company

The Group was party to a composite accounting agreement with the Group's principal bankers to provide a net overdraft facility of £500,000. The overdraft is secured by unlimited cross guarantees executed by the Group, and by a guarantee from Boskalis Westminster Dredging BV for £870,000. At 31 December 2020 the net borrowings by the UK Group under this arrangement amounted to £Nil (31 December 2019: £Nil). On the 25th March 2020 it was confirmed that the overdraft facility was no longer in place.

Notes *(continued)*

22 Commitments - Group

The Group's future minimum commitments under non-cancellable operating leases are as follows:

	31 December 2020			31 December 2019		
	£000	£000	£000	£000	£000	£000
	Land and buildings	Vessels	Plant and equipment	Land and buildings	Vessels	Plant and equipment
Operating leases which expire within:						
One year	37	538	78	48	790	98
Two to five years	59	-	29	84	494	80
More than five years	2	-	-	-	-	-
	98	538	107	132	1,284	178

The Group is party to a charter agreement with Sosban CV, an associate of the ultimate parent company. The commitments under this contract are set out above. The parent company holds no commitments.

23 Financial instruments - Group

	31 December 2020	31 December 2019
	£000	£000
Financial assets that are debt instruments measured at amortised cost		
Trade and other debtors	37,339	34,673
Financial liabilities measured at amortised cost		
Trade creditors and other creditors	4,515	5,965

24 Ultimate parent company and parent undertaking of larger Group of which the Group is a member

The Group is a subsidiary undertaking of Royal Boskalis Westminster N.V., which is incorporated in The Netherlands.

The largest Group in which the results of the Group are consolidated is Royal Boskalis Westminster N.V. The consolidated accounts of this Group are available to the public and may be obtained from Rosmolenweg 20, PO Box 43, 3350 AA Papendrecht, The Netherlands.

Notes *(continued)*

25 Related party transactions

During the year, the Group entered into a number of transactions with fellow subsidiary companies of Royal Boskalis Westminster N.V. The payable and receivable balances on these transactions are held centrally with Boskalis Finance B.V. The total value of sales for the year was £6,241,199 (2019: £7,535,795). The total value of purchases for the year ended 31 December 2020 was £19,369,208 (2019: £14,377,902). As at 31 December 2020, the Group was owed £23,276,000 (31 December 2019: £20,504,000).

During the year, Boskalis Westminster Limited entered into a number of transactions with its joint venture company, Pevensey Coastal Defence Limited. The total value of sales to Pevensey Coastal Defence Limited during the year ended 31 December 2020 was £151,238 (2019: £148,493). The total value of purchases from Pevensey Coastal Defence Limited during the year to 31 December 2020 was £Nil (2019: £3,300). During the year to 31 December 2020 Boskalis Westminster Limited received a dividend of £Nil (2019: £184,115). At 31 December 2020 Boskalis Westminster Limited was owed £11,543 from Pevensey Coastal Defence Limited (31 December 2019: £55,441).

During the year to 31 December 2020 Boskalis Westminster Limited received a dividend of £Nil (year ended 31 December 2019: £16,628) from its associate company, VBA Limited. The Company did not make any sales or purchases with VBA Limited in either the current or preceding year. At 31 December 2020 the Company was owed £Nil from VBA Limited (31 December 2019: £Nil).

26 Pension schemes – Group and Company

Boskalis Westminster Group Retirement Benefits Scheme (UK)

The Group operated a defined benefit pension scheme covering some of the Group's salaried employees providing benefits based on final pensionable salary. The defined benefit pension scheme closed for future accrual on 1 April 2012 and all active members were enrolled in a defined contribution pension scheme.

With effect from 18 March 2019 the Trustees entered into an arrangement with Rothesay Life Plc to buy out the scheme during the financial year ended 31 December 2019. A payment of £600,000 was made in 2019 to cover settlement costs. This payment was made by Boskalis Westminster (Holdings) Ltd. During 2020 further amounts totalling £292,509 have been made in order to cover the final adjustment premium and further administrative costs which were mainly legal and actuarial advice. The responsibility for the administration and payment of benefits was transferred to Rothesay Life Plc with effect from 1 June 2020 at which date the Trustee and Employer Companies ceased to have any involvement in the provision of benefits to members and their dependants.

Notes *(continued)*

26 Pension schemes *(continued)*

The principal assumptions used in this valuation were:

	2020	2019	2018
Discount rate	-	2.10%	2.40%
Inflation assumption – RPI	-	3.20%	3.40%
Inflation assumption - CPI	-	2.40%	2.60%
Pension increase – RPI max 7.5% pa	-	3.20%	3.40%
Pension increase – RPI max 5.0% pa	-	3.15%	3.35%
Pension increase – RPI max 3.0% pa	-	2.65%	2.75%
Pension increase – CPI max 3.0% pa	-	2.20%	2.60%
Expected return on assets	-	2.10%	2.40%
Mortality assumptions	-	110% S2NA with CMI2015 1.5%	110% S2NA with CMI2015 1.5%
Pension exchange for cash at retirement	-	15.0%	15.0%
Life expectancy at 65 of males aged 65	-	22.3	22.1
Life expectancy at 65 of males aged 45	-	24.5	24.2

The fair value of the scheme's assets:

		Value at	
	31 December 2020 £000	31 December 2019 £000	31 December 2018 £000
Equities	-	-	11,801
Gilts	-	-	39,574
Bonds	-	-	22,399
Cash	-	**226**	357
Insured assets	-	**2,297**	6,772
Total market value of assets	-	**2,523**	80,903
Present value of scheme liabilities	-	**(2,182)**	(64,093)
Surplus in the scheme	-	**341**	16,810
Non-recoverable surplus	-	**(341)**	(16,810)
Impact of non-recoverable surplus	-	-	-

Notes *(continued)*

26 Pension schemes *(continued)*

The movement in the present value of retirement benefit liabilities is as follows:

	31 December 2020		31 December 2019	
	£000	£000	£000	£000
At beginning of year		2,182		64,093
Movement in year:				
Interest cost	-		401	
Past service costs	-		-	
Benefits paid (net of expenses)	-		(558)	
Actuarial gain / (loss) due to change in assumptions	-		3,432	
Change due to settlement and curtailment costs	(2,182)		(65,186)	
Actuarial gain due to experience on liabilities	-		-	
		(2,182)		(61,911)
Value of liabilities at the end of the year		-		2,182

The movement in the market value of the plan assets is as follows:

	31 December 2020		31 December 2019	
	£000	£000	£000	£000
At beginning of year		2,523		80,903
Movement in year:				
Actuarial gain	-		3,468	
Expected return on pension scheme assets	-		506	
Change due to settlement and curtailment costs	(2,523)		(81,940)	
Contributions paid by the employer	293		805	
Benefits paid (net of expenses)	-		(558)	
Administration costs	(293)		(661)	
		(2,523)		(78,380)
At end of year		-		2,523

The analysis of the amount credited to other finance income is detailed in note 7.

Notes *(continued)*

26 Pension schemes *(continued)*

Analysis of the amount recognised in the Statement of Comprehensive Income

	31 December 2020 £000	31 December 2019 £000
Actual return less expected return on pension scheme asset	-	(3,468)
Changes in assumptions underlying the present value of the scheme liabilities	-	3,432
Changes in settlement and curtailment costs	-	23
Effect of limit on recognisable surplus	-	818
Actuarial loss recognised in Statement of Comprehensive Income	-	805

History of experience gains and losses:

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Difference between expected return and actual return on scheme assets:					
Amount	-	(506)	(1,967)	(2,436)	(7,552)
Percentage of year end scheme assets	-%	20%	2%	3%	11%
Experience (gains) and losses on scheme liabilities:					
Amount	-	-	195	(631)	(994)
Percentage of year end present value of scheme liabilities	-%	-%	-%	1%	2%
Total amount recognised in Statement of total recognised gains and losses:					
Amount	-	(805)	(1,141)	(3,487)	(1,230)
Percentage of year end present value of scheme liabilities	-%	37%	1%	5%	2%

Boskalis Westminster Limited Cash Retirement Benefits Scheme

A defined benefit cash retirement pension scheme is provided for eligible employees of the UK Group. All members are current or previous employees of Boskalis Westminster Limited. Contributions are determined by a qualified actuary and the most recent valuation was in 6 April 2018 which showed that the actuarial value of the scheme's assets was £199,000. The related actuary's statement concluded that at the effective date of valuation the value of the assets of the scheme were 146% of the scheme's liabilities.

Due to the size and nature of the scheme, annual valuations are not considered necessary. Any changes in assumptions or other movement are not likely to generate a material change to the scheme surplus. The scheme is currently in surplus by £31,000 (2019: £31,000).

Notes *(continued)*

26 Pension schemes *(continued)*

The Merchant Navy Ratings Pension Fund

The Merchant Navy Ratings Pension Fund is an industry wide defined benefit pension scheme. Contributions are made on behalf of sea staff to the scheme which is independent of the Company's finances. The latest full actuarial valuation was carried out as at 31 March 2020. The independent actuary presented a result that showed a valuation deficit of £96m. With High Court approval, the Trustee of the Ratings' Scheme has closed the fund for future benefit accrual from 31 May 2001 and replaced it with a defined contribution scheme. The company is accounting for the minimum funding requirement payments on a contribution basis. During the year, the company made a contribution of £nil to the scheme (2019: £12,478).

27 Notes to the statement of cash flows

(a) Reconciliation of profit to net cash flow from operating activities

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Group profit for the year	9,297	7,780
Adjustments to reconcile profit for the year to net cash flow from operating activities		
Depreciation and impairment of tangible fixed assets	298	242
Share of operating results in joint venture	(55)	(316)
Share of operating result in associate	(3,148)	155
(Profit) / loss on disposal of tangible fixed assets	(63)	1
Net finance costs	(14)	(38)
Movement in debtors	(751)	498
Movement in stocks	(230)	100
Movement in creditors	(748)	(844)
Movement in provisions	21	(13)
Pension contributions in excess of pension charge	-	(805)
Taxation		
Corporation tax paid	(1,046)	(339)
Net cash inflow from operating activities	3,561	6,421

(b) Analysis of changes in net debt

	At 1 January 2020	Cash flows	Effect of exchange rates	At 31 December 2020
Cash at bank and in hand	699	(119)	(82)	498