

Manor Marine UK Limited

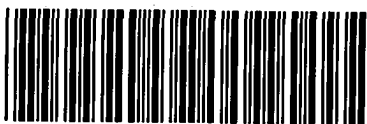
Directors' Report and Financial Statements

Period Ended

31 December 2021

Company Number 02590501

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Manor Marine UK Limited

Contents

	Page
Company Information	
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 21

Company Information

Directors	E W Briar T J Mead L N Cooper (appointed 2 October 2021) A Cullaney (appointed 2 October 2021) B Hamilton (appointed 2 October 2021) J M Heiton (appointed 18 January 2022)
Registered number	02590501
Registered office	Manor Offices Portland Port Business Centre Castletown Portland Dorset DT5 1PB
Independent auditor	Alliotts LLP Imperial House 8 Kean Street London WC2B 4AS

Manor Marine UK Limited

Directors' Report For the 9-month period ended 31 December 2021

The Directors present their report together with the audited financial statements for the period ended 31 December 2021.

Principal activity

The principal activity of the company is the manufacturing, servicing, repairing and sale of vessels.

Results and dividends

The loss for the period, after taxation, amounted to £594,935 (March 2021 - loss £421,853). The directors do not recommend payment of a dividend (March 2021 - Nil).

Directors

The Directors who served during the period were:

E W Briar
T J Mead
L N Cooper (appointed 2 October 2021)
A Cullaney (appointed 2 October 2021)
B Hamilton (appointed 2 October 2021)
J M Heiton (appointed 18 January 2022)

Future developments

The company is able to meet all its liabilities as they fall due.

Directors have provided a cashflow, having completed this the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Manor Marine UK Limited

Directors' Report (continued) For the 9-month period ended 31 December 2021

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is able to meet all its liabilities as they fall due. Manor Renewable Energy Limited have provided a letter of support covering the next 12 months. Having completed this the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

The company monitors cash flows as part of its day-to-day control procedures. The board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Quality third party indemnity provisions

The company 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.

Auditor

The Auditor, Alliotts LLP, who was appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20/01/2023 and signed on its behalf.

Eric Briar
Eric Briar (Jan 20, 2023 16:58 GMT)

E W Briar
Director

Manor Marine UK Limited

Directors' Responsibilities Statement **For the 9-month period ended 31 December 2021**

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

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Manor Marine UK Limited

Independent Auditor's Report to the Members of Manor Marine UK Limited

Opinion

We have audited the financial statements of Manor Marine UK Limited (the 'company') for the period ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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

Manor Marine UK Limited

Independent Auditor's Report to the Members of Manor Marine UK Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the marine and engineering service sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Manor Marine UK Limited

Independent Auditor's Report to the Members of Manor Marine UK Limited

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.

Sudheer Gupta

Sudheer Gupta (Jan 26, 2023 16:59 GMT)

Sudheer Gupta (Senior Statutory Auditor)

For and on behalf of Alliotts LLP

20/01/2023

Date:

**Chartered Accountants
Statutory Auditor**

Imperial House
8 Kean Street
London
WC2B 4AS

Manor Marine UK Limited

Statement of Comprehensive Income For the 9-month period ended 31 December 2021

	Note	Dec 2021 £	Mar 2021 £
Turnover		3,226,746	3,959,708
Cost of sales		(2,363,932)	(3,322,585)
Gross profit		862,814	637,123
Administrative expenses		(1,481,956)	(1,451,193)
Dividend income		-	-
Other operating income	4	95,042	291,082
Operating loss	4	(524,100)	(522,988)
Interest receivable and similar income		753	-
Interest payable and similar expenses		(7,504)	(8,596)
Loss before tax		(530,851)	(531,584)
Tax on loss	6	(64,084)	109,731
Loss for the financial period		(594,935)	(421,853)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(594,935)	(421,853)

The notes on pages 10 to 21 form part of these financial statements.

Manor Marine UK Limited
Registered number: 02590501

Balance Sheet
As at 31 December 2021

	Note	Dec 2021 £	Dec 2021 £	Mar 2021 £	Mar 2021 £
Fixed assets					
Tangible assets	7		782,773		798,541
Current assets					
Stocks	8	154,188		190,909	
Debtors: amounts falling due within one year	9	1,255,270		2,309,925	
Cash at bank and in hand		222,480		303,568	
		<u>1,631,938</u>		<u>2,804,402</u>	
Creditors: amounts falling due within one year	10	(648,130)		(1,120,081)	
Net current assets			<u>983,808</u>		<u>1,684,321</u>
Total assets less current liabilities			<u>1,766,581</u>		<u>2,482,862</u>
Creditors: amounts falling due after more than one year	11		(83,997)		(105,967)
Provisions for liabilities					
Deferred tax	13		(11,007)		(36,699)
Other provisions	14		(27,740)		(101,424)
Net assets			<u>1,643,837</u>		<u>2,238,772</u>
Capital and reserves					
Called up share capital	15		500		500
Capital redemption reserve	16		500		500
Profit and loss account	16		1,642,837		2,237,772
Total equity			<u>1,643,837</u>		<u>2,238,772</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/01/2023

E W Briar
Director Eric Briar
Eric Briar (Jan 20, 2023 16:58 GMT)

The notes on pages 10 to 21 form part of these financial statements.

Manor Marine UK Limited

Statement of Changes in Equity For the 9-month period ended 31 December 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	500	500	2,237,772	2,238,772
Comprehensive income for the period				
Loss for the period	-	-	(594,935)	(594,939)
Total comprehensive income for the period	-	-	(594,935)	(594,939)
At 31 December 2021	500	500	1,642,837	1,643,837

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2020	500	500	2,659,625	2,660,625
Comprehensive income for the year				
Profit for the year	-	-	(421,853)	(421,853)
Total transactions with owners	-	-	-	-
At 31 March 2021	500	500	2,237,772	2,238,772

The notes on pages 10 to 21 form part of these financial statements.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

1. General information

Manor Marine UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the Company's operations, and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values have been rounded to the nearest pound.

There was a change in length of accounting period to 31 December 2021. The values for this shortened period are not entirely comparable to the prior year as a consequence.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is expected to be able to meet all its liabilities as they fall due. Manor Renewable Energy Limited have provided a letter of support covering the next 12 months.

The group and the companies which are wholly owned, is expected to remain in a strong financial position during the forecast period from the date of signing the accounts. The Directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

2. Accounting policies (continued)

2.3 Revenue

Construction contracts

Where the outcome of construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

Where the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable, they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

During the year income received from the Coronavirus Job Retention Scheme has been accounted for in accordance with the above.

2.5 R&D tax credits

R&D tax credits are accounted for as government grants in accordance with section 24 of FRS 102.

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefit and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Research and development tax credits are included within operating income in the statement of comprehensive income.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the term of the lease or the expected useful economic life if shorter
Plant and machinery	- 8-25% straight line
Motor vehicles	- 10-25% straight line
Office equipment	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet Date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Manor Marine UK Limited

Notes to the Financial Statements **For the 9-month period ended 31 December 2021**

2. Accounting policies (continued)

2.15 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparation of the financial statements, the directors have made a number of significant judgements and estimates:

- **Useful lives of fixed assets**

Depreciation is provided to write down the assets to their residual values over their useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives change then depreciation charges and carrying value of fixed assets in the financial statements in the financial statements would change accordingly.

- **Impairments**

Determining whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 7)**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

4. Operating loss

The operating loss is stated after charging/(crediting):

	p/e Dec 2021 £	y/e Mar 2021 £
Depreciation of tangible fixed assets	87,043	113,659
Loss on disposal of tangible fixed assets	-	19,617
Rental income	(95,042)	(148,768)
Defined contribution pension scheme cost	22,646	27,896
Coronavirus job retention scheme	-	(46,249)
R&D tax credit under SME regime	-	(96,065)
Operating lease expense	-	171,649

Other operating income totals £95,042 (March 2021 - £291,082), which includes R&D tax credits totalling £Nil (March 2021 - £96,065), government grants in respect of furlough totalling £Nil (March 2021 - £46,249), and other rental income totalling £95,042 (March 2021 - £148,768).

5. Employees

The average monthly number of employees, including Directors, during the period was 62 (March 2021 - 54).

6. Taxation

	p/e Dec 2021 £	y/e Mar 2021 £
Corporation tax		
Current tax on loss for the period	-	(89,798)
Adjustments in respect of prior year	89,776	-
	89,776	(89,798)
Total current tax	89,776	(89,798)
Deferred tax		
Origination and reversal of timing differences	61,465	(19,167)
Adjustments in respect of prior year	(89,798)	-
Changes to tax rates	2,641	(766)
Total deferred tax	(25,692)	(19,933)
Taxation on loss on ordinary activities	64,084	(109,731)

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (March 2021 – lower than) the standard rate of corporation tax in the UK of 19% (March 2021 - 19%). The differences are explained below:

	Dec 2021 £	Mar 2021 £
Loss on ordinary activities before tax	(530,851)	(531,584)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (March 2021 - 19%)	(100,862)	(101,001)
Effects of:		
Expenses not deductible for tax purposes	7,927	10,289
Income not taxable for tax purposes	(3,322)	(18,253)
Adjustments to tax charge in respect of prior periods	(22)	(766)
Effect of group relief/other reliefs	157,722	-
Effect of rate change on deferred tax	2,641	4,084
Total tax charge for the period	64,084	(109,731)

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax liability at the statement of financial position has been calculated using the applicable rate when the liability is expected to be realised.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

7. Tangible fixed assets	Short-term leasehold property	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2021	564,707	1,020,452	36,878	46,571	1,668,608
Additions	3,102	39,894	28,279	-	71,275
Disposals	-	-	-	-	-
At 31 December 2021	567,809	1,060,346	65,157	46,571	1,739,883
Depreciation					
At 1 April 2021	265,351	551,236	26,987	26,493	870,067
Charge for the period	21,480	55,151	7,275	3,137	87,043
Disposals	-	-	-	-	-
At 31 December 2021	286,831	606,387	34,262	29,630	957,110
Net book value					
At 31 December 2021	280,978	453,959	30,895	16,941	782,773
At 31 March 2021	299,356	469,216	9,891	20,078	798,541

Assets held under finance leases and hire purchase contracts

In respect of assets held under finance leases and hire purchase contracts, the net carrying amount of tangible assets includes £170,230 (March 2021 - £176,478) of plant and machinery and £15,692 (March 2021 £17,422) of motor vehicles.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

8. Stocks

	Dec 2021 £	Mar 2021 £
Raw materials and consumables	154,188	190,909
	<u>154,188</u>	<u>190,909</u>

9. Debtors: amounts falling due within one year

	Dec 2021 £	Mar 2021 £
Trade debtors	277,300	263,906
Amounts owed by group undertakings	369,267	1,301,321
Amounts recoverable on long term contracts	451,864	266,030
Other debtors	54,343	27,054
Prepayments and accrued income	71,454	223,086
Tax recoverable	-	192,696
Other tax and social security	31,042	35,832
	<u>1,255,270</u>	<u>2,309,925</u>

Tax recoverable includes R&D tax credits receivable totalling £Nil (March 2021 - £96,065) and corporation tax recoverable totalling £Nil (March 2021- £96,631).

10. Creditors: amounts falling due within one year

	Dec 2021 £	Mar 2021 £
Trade creditors	351,384	759,722
Other taxation and social security	26,574	30,034
Obligations under finance lease and hire purchase contracts	44,881	31,998
Other creditors	97,805	162,895
Accruals and deferred income	127,486	135,432
	<u>648,130</u>	<u>1,120,081</u>

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

11. Creditors: amounts falling due after more than one year

	Dec 2021 £	Mar 2021 £
Amounts due under finance lease	<u>83,997</u>	<u>105,967</u>

The amounts due under finance lease are secured over the assets they relate to.

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Dec 2021 £	Mar 2021 £
Within one year	44,881	31,998
Between 1-5 years	83,997	105,967
	<u>128,878</u>	<u>137,965</u>

13. Deferred taxation

	Dec 2021 £
At 1 April 2021	36,699
Charged to profit or loss	(25,692)
At 31 December 2021	<u><u>11,007</u></u>

The provision for deferred taxation is made up as follows:

	Dec 2021 £	Mar 2021 £
Accelerated capital allowances	63,144	43,216
Deferred tax asset losses	<u>(52,137)</u>	<u>(6,517)</u>

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

14. Provisions

	Dilapidation Provision £	Onerous Contract Provision £	Total £
At 1 April 2021	24,500	76,924	101,424
Charged to profit or loss	3,240	(76,924)	(73,684)
At 31 December 2021	27,740	-	24,740

Dilapidation provision

Some of the company's property leasing arrangements contain a clause to repair damages incurred during the life of the lease, such as wear and tear. The company therefore recognises a dilapidation provision as such obligation arises. Dilapidation settlements are subject to negotiation and as such, there is an uncertainty with regards to the amount and timing of the cash outflow. The provision is expected to be utilised as the leases terminate. Dilapidation provisions are recognised within administrative expenses in the statement of comprehensive income.

Onerous contract provisions

In line with FRS 102, section 21, where unavoidable costs of meeting the obligations under a contract exceed the economic benefit expected to be received under it, management recognise an onerous contract provision. The onerous contract provision is the difference between the economic benefit expected to be received and the expected cost, less any loss already recognised within the income statement.

15. Share capital

	Dec 2021 £	Mar 2021 £
Allotted, called up and fully paid		
500 ordinary shares of £1 each	500	500

16. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Manor Marine UK Limited

Notes to the Financial Statements For the 9-month period ended 31 December 2021

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,646 (March 2021 - £27,896). Contributions totalling £7,358 (March 2021 - £6,692) were payable to the fund at the balance sheet date and are included in creditors.

18. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Dec 2021 £	Mar 2021 £
Not later than 1 year	252,621	228,693
Later than 1 year and not later than 5 years	1,182,212	1,156,074
Later than 5 years	4,181,019	3,782,528
	<u>5,615,852</u>	<u>5,167,295</u>

19. Capital commitments

As at 31 December 2021 the company had contracted to purchase leasehold building additions of £13,955.

20. Related party transactions

The Company has taken advantage of the exemptions conferred by Section 33.1A of FRS 102 from disclosing transactions with other 100% owned members of the group, as consolidated accounts are publicly available.

At the period-end £369,268 (March 2021: £1,301,321) was due from related parties.

At the period-end £Nil (March 2021: £Nil) was due to related parties.

21. Controlling party

The company's immediate parent undertaking was Manor Renewable Energy Limited.

The largest and smallest group in which the result of the parent company were consolidated, were that headed by Manor Energy Group Limited, incorporated in the UK. The address of the registered office is Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB.

Following the period end the group headed by Manor Energy Group Limited was acquired by OEG Offshore Group Limited, a company registered in England and Wales. The ultimate controlling party is GHS Invest S.C.P., incorporated in Monaco.