

Manor Marine UK Limited

Directors' Report and Financial Statements

Year Ended

31 March 2021

Company Number 02590501



Manor Marine UK Limited

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Company Information

Directors	E W Briar T J Mead
Registered number	02590501
Registered office	Manor Offices Portland Port Business Centre Castletown Portland Dorset DT5 1PB
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Manor Marine UK Limited

Directors' Report For the Year Ended 31 March 2021

The Directors present their report together with the audited financial statements for the year ended 31 March 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 year, after taxation, amounted to £421,853 (2020 - profit £24,836).

The directors do not recommend payment of a dividend (2020 - £Nil).

Directors

The Directors who served during the year were:

E W Briar
T J Mead

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 Year Ended 31 March 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. However it has acknowledged that the continuing impact of the global outbreak of Covid-19 has had a profound impact on the global and UK economy and businesses. Further details is given within note 2 to the financial statements. 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, BDO 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 06/01/2022 and signed on its behalf.



E W Briar
Director

Manor Marine UK Limited

Directors' Responsibilities Statement For the Year Ended 31 March 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 on the financial statements - unqualified

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its 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.

We have audited the financial statements of Manor Marine UK Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Manor Marine UK Limited

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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. 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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Manor Marine UK Limited

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

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the companies act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journals entries as part of our planned audit approach.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Manor Marine UK Limited

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

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.

DocuSigned by:

James Newman

James Newman (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

06 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Manor Marine UK Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover		3,959,708	5,508,457
Cost of sales		(3,322,585)	(4,512,214)
Gross profit		637,123	996,243
Administrative expenses		(1,451,193)	(1,217,992)
Dividend income		-	23,900
Other operating income	4	291,082	238,118
Operating (loss)/profit	4	(522,988)	40,269
Interest receivable and similar income		-	126
Interest payable and similar expenses		(8,596)	(256)
(Loss)/profit before tax		(531,584)	40,139
Tax on (loss)/profit	6	109,731	(15,303)
(Loss)/profit for the financial year		(421,853)	24,836
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(421,853)	24,836

The notes on pages 11 to 23 form part of these financial statements.

Manor Marine UK Limited
Registered number: 02590501

Balance Sheet
As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	7		798,541		780,581
Current assets					
Stocks	8	190,909		65,000	
Debtors: amounts falling due within one year	9	2,309,925		3,064,620	
Cash at bank and in hand		303,568		223,741	
		<u>2,804,402</u>		<u>3,353,361</u>	
Creditors: amounts falling due within one year	10	<u>(1,120,081)</u>		<u>(1,297,627)</u>	
Net current assets			<u>1,684,321</u>		<u>2,055,734</u>
Total assets less current liabilities			<u>2,482,862</u>		<u>2,836,315</u>
Creditors: amounts falling due after more than one year	11		(105,967)		(119,058)
Provisions for liabilities					
Deferred tax	13		(36,699)		(56,632)
Other provisions	14		(101,424)		-
Net assets			<u><u>2,238,772</u></u>		<u><u>2,660,625</u></u>
Capital and reserves					
Called up share capital	15		500		500
Capital redemption reserve	16		500		500
Profit and loss account	16		2,237,772		2,659,625
Total equity			<u><u>2,238,772</u></u>		<u><u>2,660,625</u></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

06/01/2022



E W Briar
Director

The notes on pages 11 to 23 form part of these financial statements.

Manor Marine UK Limited

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				
Loss for the year	-	-	(421,853)	(421,853)
Total comprehensive income for the year	-	-	(421,853)	(421,853)
At 31 March 2021	500	500	2,237,772	2,238,772

Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	500	500	2,634,789	2,635,789
Comprehensive income for the year				
Profit for the year	-	-	24,836	24,836
Total transactions with owners	-	-	-	-
At 31 March 2020	500	500	2,659,625	2,660,625

The notes on pages 11 to 23 form part of these financial statements.

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 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.

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. However, it is acknowledged that COVID-19 has had a profound impact on the global and UK economy and business.

The directors have produced a detailed going concern stress test for Manor Energy Group Limited, to which Manor Marine UK Limited is a wholly owned subsidiary. The conclusion of our stress test for Manor Energy Group Limited is that the business could sustain a loss of more than £3.0m (10%) of forecast turnover consistently over the course of the 12 months following the date of the financial statements, without exceeding current bank facilities, however there is greater sensitivity from March 2022.

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 Year Ended 31 March 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 a 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 Year Ended 31 March 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	- 25% straight line
Motor vehicles	- 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 Year Ended 31 March 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 Year Ended 31 March 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.

2.16 Prior year adjustments

Certain disclosures in the balance sheet have been adjusted due to prior period errors. The impact of the prior period error has been summarised below:

Reclassification of other taxes and social security

In the current year, management identified that they had not previously disclosed the VAT and corporation tax recoverable correctly. Management have reviewed the disclosure in the prior year, and based on the review, the disclosure has been adjusted to increase VAT and Corporation tax recoverable, totalling £166,000, and to decrease other debtors by £166,000. The effect on net assets reported in the prior year is £nil. This has not altered the result reported in the prior year.

Classification of obligations under finance lease and hire purchase contracts

During the current year, management identified that they had not previously disclosed obligations under finance lease and hire purchase contracts correctly. The directors have reviewed the disclosure in the prior year, and based on this review, have made an adjustment to decrease loans and borrowings (due within one year) by £27,000, and loans and borrowings (due after one year) by £119,000. In addition, obligations under hire purchase (due within one year) have been increased by £24,000, and obligations under hire purchase (due after one year) have increase by £119,000. The effect on net assets reported in the prior year is £nil. This has not altered the result reported in the prior year.

Classification of accruals and deferred income

During the current year, management identified that they had not previously disclosed accruals and deferred income correctly. The directors have reviewed the disclosure in the prior year, and based on this review, have made an adjustment to decrease other creditors by £270,393 and increase accruals and deferred income by the same amount. The effect on net assets reported in the prior year is £nil. This has not altered the result reported in the prior year.

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

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 14)

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 Year Ended 31 March 2021

4. Operating (loss)/profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	113,659	90,107
Loss on disposal of tangible fixed assets	19,617	4,714
Income from shares in group undertakings	-	(23,900)
Defined contribution pension scheme cost	27,896	30,999
Coronavirus job retention scheme	(46,249)	-
R&D tax credit under SME regime	(96,065)	-
Operating lease expense	171,649	64,857
	<u>171,649</u>	<u>64,857</u>

Other operating income totals £291,082 (2020 - £238,118), which includes R&D tax credits totalling £96,065 (2020 - Nil), government grants in respect of furlough totalling £46,249 (2020 - Nil), and other rental income totalling £148,768 (2020 - £238,118).

5. Employees

The average monthly number of employees, including Directors, during the year was 54 (2020 - 48).

6. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(89,798)	(6,833)
	<u>(89,798)</u>	<u>(6,833)</u>
Total current tax	<u>(89,798)</u>	<u>(6,833)</u>
Deferred tax		
Origination and reversal of timing differences	(19,167)	22,136
Changes to tax rates	(766)	-
Total deferred tax	<u>(19,933)</u>	<u>22,136</u>
Taxation on (loss)/profit on ordinary activities	<u>(109,731)</u>	<u>15,303</u>

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(531,584)</u>	<u>40,139</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(101,001)	7,626
Effects of:		
Expenses not deductible for tax purposes	10,289	8,134
Income not taxable for tax purposes	(18,253)	(4,541)
Adjustments to tax charge in respect of prior periods - deferred tax	(766)	-
Effect of rate change on deferred tax	-	4,084
Total tax charge for the year	<u><u>(109,731)</u></u>	<u><u>15,303</u></u>

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 Year Ended 31 March 2021

7. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 April 2020	547,047	978,632	23,995	45,716	1,595,390
Additions	17,660	143,787	23,576	1,296	186,319
Disposals	-	(101,967)	(1,000)	(10,134)	(113,101)
At 31 March 2021	<u>564,707</u>	<u>1,020,452</u>	<u>46,571</u>	<u>36,878</u>	<u>1,668,608</u>
Depreciation					
At 1 April 2020	237,570	535,840	17,230	24,169	814,809
Charge for the year	27,781	69,028	10,263	6,587	113,659
Disposals	-	(53,632)	(1,000)	(3,769)	(58,401)
At 31 March 2021	<u>265,351</u>	<u>551,236</u>	<u>26,493</u>	<u>26,987</u>	<u>870,067</u>
Net book value					
At 31 March 2021	<u>299,356</u>	<u>469,216</u>	<u>20,078</u>	<u>9,891</u>	<u>798,541</u>
At 31 March 2020	<u>309,477</u>	<u>442,792</u>	<u>6,765</u>	<u>21,547</u>	<u>780,581</u>

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Stocks

	2021 £	2020 £
Raw materials and consumables	190,909	65,000
	190,909	65,000
	190,909	65,000

9. Debtors: amounts falling due within one year

	2021 £	As restated 2020 £
Trade debtors	263,906	82,365
Amounts owed by group undertakings	1,301,321	2,080,512
Amounts recoverable on long term contracts	266,030	488,789
Other debtors	27,054	-
Prepayments and accrued income	223,086	247,379
Tax recoverable	192,696	-
Other tax and social security	35,832	165,575
	2,309,925	3,064,620
	2,309,925	3,064,620

Tax recoverable includes R&D tax credits receivable totalling £96,065 (2020 - £nil) and corporation tax recoverable totalling £96,631 (2020 - £6,833).

10. Creditors: amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	759,722	863,679
Gross amount due to customers for contract work	-	73,130
Other taxation and social security	30,034	36,633
Obligations under finance lease and hire purchase contracts	31,998	27,012
Other creditors	162,895	26,780
Accruals and deferred income	135,432	270,393
	1,120,081	1,297,627
	1,120,081	1,297,627

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

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

	2021 £	As restated 2020 £
Amounts due under finance lease	105,967	119,058
	<u>105,967</u>	<u>119,058</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:

	2021 £	2020 £
Within one year	31,998	27,012
Between 1-5 years	105,967	119,058
	<u>137,965</u>	<u>146,070</u>

13. Deferred taxation

	2021 £
At beginning of year	56,632
Charged to profit or loss	(19,933)
At end of year	<u>36,699</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	36,699	56,632
	<u>36,699</u>	<u>56,632</u>

Manor Marine UK Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

14. Provisions

	Dilapidation Provision £	Onerous Contract Provision £	Total £
At 1 April 2020	-	-	-
Charged to profit or loss	24,500	76,924	101,424
At 31 March 2021	24,500	76,924	101,424

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

	2021 £	2020 £
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 Year Ended 31 March 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 £27,896 (2020 - £32,185). Contributions totalling £6,692 (2020 - £6,990) were payable to the fund at the balance sheet date and are included in creditors.

18. Commitments under operating leases

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

	2021 £	2020 £
Not later than 1 year	228,693	173,560
Later than 1 year and not later than 5 years	1,156,074	234,528
Later than 5 years	3,782,528	3,239,446
	<u>5,167,295</u>	<u>3,647,534</u>

19. Related party transactions

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

20. 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 ultimate controlling party is Moulton Goodies Limited, incorporated in Guernsey by virtue of their majority shareholding in Manor Energy Group Limited.