

**CAMMELL LAIRD SHIPREPAIRERS
& SHIPBUILDERS LIMITED**

Annual Report and Financial Statements

For the year ended 31 March 2017

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CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

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CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J R Syvret
J Kennedy
M J Moran
SK Underwood
M Whitworth
HMM McKenzie

SECRETARY

J R Syvret

REGISTERED OFFICE

Cammell Laird Shipyard
Campbelltown Road
Birkenhead
Merseyside
CH41 9BP

BANKERS

Barclays Bank plc
Manchester City Office
Manchester
M60 2AU

AUDITOR

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
United Kingdom
M3 3HF

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

STRATEGIC REPORT

The directors present their strategic report, directors' report and the audited financial statements of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

This financial year has seen a decrease in turnover from £99,003,000 for the year ended 31 March 2016 to £94,485,000 for the year ended 31 March 2017. In addition, the profit for the year after tax of £5,994,000 (year ended 31 March 2016: £1,852,000). Profit has increased due to the postings of currency derivatives where Norwegian Krona was forward booked at a favourable rate.

Gross margin has decreased by a small amount to 17.4% for the year ended 31 March 2017 (2016: 18.5%). The margin result was within the directors' expectations. This is mainly due to revaluing some creditors in line with the year end currency rate as opposed to what the currency had been booked at. Without this adjustment margin would have been 18.5%.

Net assets were £25,879,000 at 31 March 2017 (2016: £25,783,000).

It was a historic year for the company as construction began on the Polar Research Vessel, RRS Sir David Attenborough for the Natural Environment Research Council. There was a formal 'keel laying' ceremony to recognise the start of construction in October 2016 and work is progressing according to plan.

The main RFA worked carried out in the financial year was Based Maintenance periods for the RFA Fort Austin and the Diligence. Towards the latter end of the financial year, the refit on RFA Fort Austin began.

Within the commercial market, successful major contracts were completed including A2SEA for fabrication work on the Sea Installer. Other work included drydockings for CalMac Ferries, P & O Ferries, Isle of Man Steam Packet Company, Seatruck Ferries, Mersey Travel, Irish Sea Ferries and Svitzer Marine. Work has continued on the refurbishment on Langton Caisson for MDHC. In addition, work for BAE Systems on the Astute Submarine has been successfully carried out.

The Company has continued to invest in its Apprentice Training scheme, with over 140 employees currently in Training or now fully qualified tradesmen having completed their programme. Investment in infrastructure, IT and Management systems also continues to ensure that we are well positioned to manage the current and future business successfully. The Company intends to continue to develop into the heavy engineering energy sector and will target bespoke offshore, marine, and renewable energy markets. The Company is looking to open a new facility for the Nuclear sector in the near future to assist in this market. With the Company's highly skilled range of engineers, it is expected that these trades' personnel will be able to migrate across the varying business sectors providing stability whilst de-risking core activities and markets.

Within the year the Company maintained its Health and Safety, Quality and Environmental accreditations and gained the BS11000:2010 standard for Collaborative Business Relationships.

During the year the company changed its Health and Safety, Quality and Environmental accreditations from Bureau Veritas to Lloyds to recognise the increased level of shipbuilding work.

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS (“KPIs”)

The directors monitor the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators (“KPIs”):

	2017	2016
Turnover (£'000)	94,485	99,003
Gross profit margin as a percentage of turnover	17.4%	18.5%
Man hours sold (hours)	1,469,537	1,875,653
Supply chain purchases (£'000)	<u>58,469</u>	<u>57,765</u>

Future developments

The forthcoming year will see turnover increase from 2016/17 levels. This will be due to the continuing work on the RRS Sir David Attenborough. The continuing work on RFA Fort Austin along with refits for the RFA Fort Victoria and RFA Wave Ruler. The Company will continue to drive its diversification strategy within the energy and naval marine sectors. The company has successfully won a contract with Innovate and involved in tendering for a number of different projects within the Energy sector.

Principal business risks and uncertainties

The management of the business and the execution of the Company’s strategy are subject to a number of risks.

Personnel: The Company has an apprentice training scheme at the adjacent Engineering College and continues to train sufficient numbers of apprentices to meet its committed commercial obligations and future business aspirations.

Credit risk: For larger value projects the Company negotiates stage payments to neutralise cash flow. For medium size projects the Company requires payment that at least covers direct costs prior to the departure of the ship. Due to lack of credit insurance, there remains a risk on smaller value projects of bad debts. This is managed via tight credit control procedures plus constant monitoring of the customer base.

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

Liquidity risk: The Company does not have any commercial borrowings and only enters into major contracts which have at least cash neutral payment terms. These are based on agreed payment plans for significant contracts. The Company continually looks at debtor and creditor days to manage working capital. Long-term projects are financed via stage payments, with balances paid on completion of contracts.

Interest rate cash flow risk: Due to the net positive cash position, and with no outstanding borrowings, the Company is largely protected from movements of interest rates.

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS ("KPIs") (CONTINUED)

Principal business risks and uncertainties (continued)

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

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

Health and safety: The Company remains totally committed to the health and safety of all employees, contractors and visitors and to date has an excellent record in respect of reportable incidents. During the year, we went over one million man hours without a reportable incident. Our employee liability insurance supplier has assisted the Company with independent advice to identify potential areas of concern in relation to health and safety and facilities to enable the development of mitigating actions.

Other: The Company operates from approved International Ship and Port Security (ISPS) yards and is independently accredited by Lloyds (BV) to BS-EN ISO9001-2008 (Quality), BS-EN 14001-2004 (Environmental) and OHSAS 18001-2007 (Safety) Management Systems.

The Company is committed to working with employees for the benefits of both the Company and its workers and to this extent enjoys a partnership with Amicus/Unite and GMBU. In addition, the Company is working with Liverpool Chamber of Commerce and Mersey Maritime to improve employee skill levels. The company continues to support many local charitable organisations and is proud to have helped setting up the "Hive" which is a new youth centre in Birkenhead.

GOING CONCERN

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

Future developments

The directors expect the general level of activity remain consistent with 2017 in the forthcoming year.

Approved by the Board of Directors on

20/12/2017



I R Syvret CBE

Chief Executive Office

Cammell Laird Shipyard
Campbeltown Road
Birkenhead
Merseyside
CH41 9BP

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 March 2017. This report contains the statutory information disclosed in addition to that set out in the separate strategic report.

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

DIVIDENDS

Dividends declared during the year amounted to £nil (2016: £nil). Dividends paid during the year amounted to £5,897,252 (2016: £4,500,000).

EMPLOYEES

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

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

DIRECTORS

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

The interests of the directors of the Company in the shares of the Company were:

	Interests in ordinary A shares of 1p each	
	2017	2016
J R Syvret	5,066	5,066
J Kennedy	791	791
M J Moran	791	791

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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Cash flow risk

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

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

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

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

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

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

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

AUDITOR

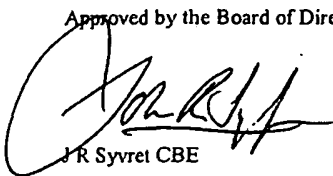
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Deloitte LLP have expressed their willingness to be reappointed as auditor. A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 10th December 2017



J R Syvret CBE

Chief Executive Office

Cammell Laird Shipyard
Campbeltown Road
Birkenhead
Merseyside
CH41 9BP

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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), 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 of the Group and Parent Company and of the profit or loss of the Group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

We have audited the Group and Parent Company financial statements (the "Consolidated Profit and Loss Account") of Cammell Laird Shiprepairers & Shipbuilders Limited for the year ended 31 March 2017 which comprise consolidated profit and loss account, consolidated statement of comprehensive income, consolidated and Company balance sheets, consolidated and Company statement of changes in equity, consolidated cash flow statement, consolidated reconciliation of operating profit to cash inflow from operating activities, statement of accounting policies and related notes 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2017 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.

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.

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 any material misstatements in the Strategic Report and the Directors' Report.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
20/12/2017

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 March 2017

		2017 £'000	2016 £'000
	Note		
TURNOVER	5	94,485	99,003
Cost of sales		(78,009)	(80,653)
GROSS PROFIT		16,476	18,350
Administrative expenses		(13,923)	(14,381)
OPERATING PROFIT		2,553	3,969
Net interest receivable/(payable)	8,9	4,856	(1,520)
PROFIT BEFORE TAXATION		7,408	2,452
Tax charge on profit	6 10	(1,415)	(600)
PROFIT FOR THE FINANCIAL YEAR		5,994	1,852

The profit on ordinary activities before taxation derives entirely from continuing activities.

The Company profit for the year ended 31 March 2017 was £5,994,000 (2016: £1,852,000).

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent Company profit and loss account.

The accounting policies and accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2017

	2017 £'000	2016 £'000
Total comprehensive income for the year	5,994	1,852

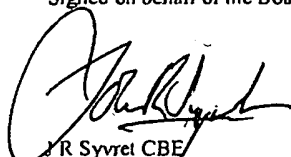
CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

CONSOLIDATED BALANCE SHEET As at 31 March 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible assets	12	5,822	6,102
CURRENT ASSETS			
Stock	13	408	407
Debtors amounts falling due within one year	14	30,442	26,371
Debtors amounts falling due after one year	14	1,887	-
Cash at bank and in hand	15	13,317	20,738
		46,054	47,516
CREDITORS: amounts falling due within one year	16	(25,865)	(26,170)
NET CURRENT ASSETS		20,189	21,346
TOTAL ASSETS LESS CURRENT LIABILITIES		26,011	27,448
CREDITORS: amounts falling due after one year	17	-	(1,555)
PROVISIONS FOR LIABILITIES	18	(132)	(189)
NET ASSETS		25,879	25,704
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Share premium account		450	450
Profit and loss account		25,429	25,333
TOTAL SHAREHOLDERS' FUNDS		25,879	25,783

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on 10/11/2017.

Signed on behalf of the Board of Directors by:



J R Syvret CBE
Chief Executive Officer

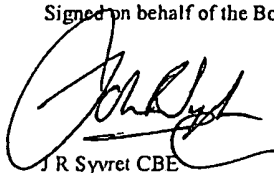
CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

COMPANY BALANCE SHEET As at 31 March 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Investments	11	-	-
Tangible assets	12	5,818	6,102
CURRENT ASSETS			
Stock	13	386	386
Debtors amounts falling due within one year	14	30,881	26,760
Debtors amounts falling due after one year	14	1,887	
Cash at bank and in hand	15	12,897	20,430
		46,051	47,576
CREDITORS: Amounts falling due within one year	16	(25,857)	(26,151)
NET CURRENT ASSETS		20,194	21,425
TOTAL ASSETS LESS CURRENT LIABILITIES		26,012	27,527
CREDITORS: amounts falling due after one year	17	-	(1,555)
PROVISIONS FOR LIABILITIES	18	(133)	(189)
NET ASSETS		25,879	25,783
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Share premium account		450	450
Profit and loss account		25,429	25,333
TOTAL SHAREHOLDERS' FUNDS		25,879	25,783

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on 20/12/2017.

Signed on behalf of the Board of Directors by:



J R Syvret CBE

Chief Executive Officer

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2017

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2015	-	450	27,981	28,431
Profit for the financial year	-	-	1,852	1,852
Total comprehensive income for the year	-	-	1,852	1,852
Dividends (note 20)	-	-	(4,500)	(4,500)
Balance as at 31 March 2016	-	450	25,333	25,783
Balance as at 1 April 2016	-	450	25,333	25,783
Profit for the financial year	-	-	5,994	5,994
Total comprehensive income for the year	-	-	31,327	31,777
Dividends (note 20)	-	-	(5,897)	(5,897)
Balance as at 31 March 2017	-	450	25,430	25,880

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2017

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2015	-	450	27,981	28,431
Profit for the financial year	-	-	1,852	1,852
Total comprehensive income for the year	-	-	1,852	1,852
Dividends (note 20)	-	-	(4,500)	(4,500)
Balance as at 31 March 2016	-	450	25,333	25,783
Balance as at 1 April 2016	-	450	25,333	25,783
Profit for the financial year	-	-	5,994	5,994
Total comprehensive income for the year	-	-	31,327	31,777
Dividends (note 20)	-	-	(5,897)	(5,897)
Balance as at 31 March 2017	-	450	25,430	25,880

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2017

	2017 £'000	2016 £'000
Net cash inflow from operating activities	(322)	16,995
UK corporation tax paid	(525)	(3,460)
Net cash generated from operating activities	(847)	13,535
Cash flow from investing activities		
Purchase of tangible fixed assets	(677)	(1,460)
Interest received	-	35
Dividends paid	(5,897)	(4,500)
Net cash used in investing activities	(6,574)	(5,925)
 Net (decrease)/increase in cash and cash equivalents	 (7,421)	 7,610
Cash and cash equivalents at the beginning of the year	20,738	13,128
Cash and cash equivalents at the end of the year	13,317	20,738
 Cash and cash equivalents consist of:		
Cash at bank and in hand	13,317	20,738
Cash and cash equivalent	13,317	20,738

**CONSOLIDATED RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**
Year ended 31 March 2017

	2017 £'000	2016 £'000
Operating profit	2,553	3,969
Depreciation charges	964	849
Decrease/(increase) in stocks	1	(47)
(Increase/decrease in debtors	(2,656)	6,931
(Decrease)/increase in creditors	(1,183)	5,293
Net cash inflow from operating activities	(322)	16,995

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

STATEMENT OF ACCOUNTING POLICIES

Year ended 31 March 2017

1. General information

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

2. Statement of compliance

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

3. Summary of significant accounting policies

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

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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

Going concern

In considering the appropriateness of the going concern basis of preparation, the directors have considered forecasts for the next twelve months from the date of signing the 2017 financial statements, which include detailed cash flow forecasts and working capital availability. After taking account of reasonably possible sensitivities for changes in trading performance, these forecasts still show that sufficient resources remain available to the business for the next twelve months.

The business activities, together with the factors likely to affect its future development, performance and positions are set out in the Strategic Report.

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemptions for qualifying entities under FRS 102

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

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

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 March.

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

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

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Year ended 31 March 2017

3. Summary of significant accounting policies

Foreign currencies

(i) *Functional and presentation currency*

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

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

(ii) *Transactions and balances*

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

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

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

Revenue recognition

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

Employee benefits

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

(i) *Short-term benefits*

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

(ii) *Defined contribution pension plans*

Employees are eligible to join a Stakeholder Pension Plan. Pension costs are charged to the profit and loss account as they fall due. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The assets of the plan are held separately from the Company in independently administered funds.

Taxation

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

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

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Year ended 31 March 2017

3. Summary of significant accounting policies (CONTINUED)

Taxation

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

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

Deferred tax is measured on an undiscounted basis.

Tangible fixed assets

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

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

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

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

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

Fixed asset investments

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

Leased assets

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

Stocks

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

Cash and cash equivalents

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Year ended 31 March 2017

3. Summary of significant accounting policies (CONTINUED)

Financial instruments

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

(i) *Financial assets*

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

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

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

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

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

(ii) *Financial liabilities*

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

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

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

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

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
Year ended 31 March 2017

3. Summary of significant accounting policies (CONTINUED)

Contract balances

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

Government grants

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

Share capital

Ordinary shares are classified as equity.

Distributions to equity holders

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

Related party transactions

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

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

The directors do not consider there to be any critical accounting judgements that must be applied.

(ii) *Key accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Revenue recognition

Turnover includes the value of contracts in progress. This is recognised based on the level of completion of the contracts to ensure that margin is recognised evenly over the contract life. Management considers the overall expected margin from each contract based on available information and past performance.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of tangible fixed assets and page 18 for the useful economic lives for each class of asset.

CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

5. TURNOVER

All turnover was generated in the UK.

An analysis of the Company's turnover is as follows:

	2017 £'000	2016 £'000
Contracts	94,485	97,931
Other	-	1,072
	<u>94,485</u>	<u>99,003</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets – owned	964	849
Operating leases – other	3,278	3,278
Machinery and equipment hire	779	781
Government grants	-	603
Auditor's remuneration		
Auditor's remuneration – audit fees	54	51
Non audit fees - tax	-	-
	<u>54</u>	<u>51</u>

The impairment of trade receivables in each of the years presented was immaterial.

7. STAFF COSTS

	2017 £'000	2016 £'000
Wages	25,499	25,386
Social security costs	3,332	3,202
Pension costs	255	254
Staff costs	<u>29,086</u>	<u>28,842</u>

Staff costs of £272,000 have been capitalised in the year (2016: £196,000).

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

7. STAFF COSTS (CONTINUED)

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

	2017 Number	2016 Number
Operations	597	687
Administration	42	40
	<u>639</u>	<u>727</u>

Directors' emoluments

	2017 £'000	2016 £'000
Emoluments	<u>472</u>	<u>432</u>

There are no directors with benefits accruing under a Company pension scheme. The highest paid director received emoluments of £255,000 for the year ended 31 March 2017 (2016: £233,000).

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2017 £'000	2016 £'000
Salaries and other short-term benefits	<u>1,038</u>	<u>986</u>

8. INTEREST RECEIVABLE

	2017 £'000	2016 £'000
Interest receivable on bank deposits and other investments	<u>4,856</u>	<u>35</u>

9. INTEREST PAYABLE

	2017 £'000	2016 £'000
Losses on derivative financial instruments (note 17)	<u>-</u>	<u>1,555</u>

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017 £'000	2016 £'000
Current tax		
UK corporation tax	-	-
Group relief payable	922	490
Adjustments in respect of previous years	550	133
Total current tax charge	1,472	623
Deferred tax		
Origination and reversal of timing differences	(38)	10
Adjustments in respect of previous years	(19)	(33)
Total deferred tax (credit) (note 18)	(57)	(23)
Tax on profit on ordinary activities	1,415	600

The tax charge for the year is lower (2016: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	7,409	2,452
Profit on ordinary activities, multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	1,482	490
Effects of:		
Expenses not deductible for tax purposes	24	49
Movement in unrecognised deferred tax	-	82
Adjustments in respect of previous years	(91)	(21)
Total tax charge for the year	1,415	600

The Government has announced that it intends to reduce the rate of corporation tax to 17% with effect from 1 April 2020. As this legislation had not been substantively enacted at the year end the impact of the anticipated rate change is not reflected in the tax provisions reported in these financial statements. Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. Accordingly, deferred tax balances have been restated to the lower rate of 18% in these financial statements.

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

11. FIXED ASSET INVESTMENTS

	2017 £'000	2016 £'000
Shares in group undertakings	-	-

The Company had the following investments all registered in England and Wales at 31 March 2017:

Name of investment	Class of share capital held	Proporti on held	Nature of business
IPG-UK Nuclear Alliance Limited*	Ordinary	100%	Dormant
Neway Industrial and Environmental Services Limited*	Ordinary	100%	Industrial Cleaning
Atlantic Engineering & Laboratories Limited**	Ordinary	100%	Engineering

*Registered office per page 1

**Registered office – 5 Abbots Quay, Birkenhead, CH41 5LH.

12. TANGIBLE FIXED ASSETS

Group

	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2016	3,069	7,477	289	293	11,128
Additions	37	620	-	20	675
At 31 March 2017	3,106	8,097	289	313	11,803
Accumulated depreciation					
At 1 April 2016	(1,940)	(2,599)	(251)	(227)	(5,017)
Charge for the year	(244)	(684)	(11)	(25)	(964)
At 31 March 2017	(2,184)	(3,283)	(262)	(252)	(5,981)
Net book value					
At 31 March 2017	922	4,814	27	61	5,822
At 31 March 2016	1,129	4,878	38	66	6,111

CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2017

12. TANGIBLE FIXED ASSETS (CONTINUED)

Company	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2016	3,069	7,477	289	284	11,119
Additions	37	620	-	20	677
At 31 March 2017	3,106	8,097	289	304	11,796
Accumulated depreciation					
At 1 April 2016	(1,940)	(2,599)	(251)	(227)	(5,017)
Charge for the year	(244)	(684)	(11)	(22)	(961)
At 31 March 2017	(2,184)	(3,283)	(262)	(249)	(5,978)
Net book value					
At 31 March 2017	922	4,814	27	55	5,818
At 31 March 2016	1,129	4,878	38	57	6,102

At 31 March 2017 (2016: £nil) there were no capital commitments contracted but not provided for in the financial statements.

13. STOCK

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Raw materials and consumables	408	407	386	386

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2017

14. DEBTORS: Amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	14,651	9,964	14,508	9,865
Amounts recoverable on contracts	10,907	11,508	10,873	11,478
Amounts owed by group undertakings	-	-	618	563
Amounts owed by related parties	1,109	467	1,068	405
Prepayments and accrued income	1,690	3,667	1,681	3,633
Other taxation and social security	671	765	719	816
Forward exchange contract	1,414	-	1,414	-
Total debtors	<u>30,442</u>	<u>26,371</u>	<u>30,881</u>	<u>26,760</u>

Provisions for impairment of trade debtors are immaterial in both years presented.

Amounts owed by group undertakings are unsecured, interest free and had no fixed date of repayment.

DEBTORS: Amounts falling due after one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Forward exchange contract	1,887	-	1,887	-
Total debtors	<u>1,887</u>	<u>-</u>	<u>1,887</u>	<u>-</u>

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

15. CASH AT BANK AND IN HAND

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Cash at bank	13,317	20,738	13,317	20,430

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	18,492	8,992	18,327	8,812
Amounts owed to group undertakings	-	-	205	303
Amounts owed to related parties	1,303	1,171	1,303	1,171
Group relief	1,211	262	1,211	262
Other taxation and social security payable	1,584	1,436	1,546	1,414
Accruals and deferred income	3,275	14,309	3,265	14,260
Total creditors falling due within one year	25,865	26,170	25,857	26,222

Amounts owed to group undertakings are unsecured, interest free and had no fixed date of repayment.

17. CREDITORS: AMOUNTS FALLING DUE OVER ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Derivative financial instruments (note 19)	-	1,555	-	1,555
Total creditors falling due within one year	-	1,555	-	1,555

18. PROVISIONS FOR LIABILITIES

Deferred taxation

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
At 1 April	(189)	(212)	(189)	(212)
Credited to profit and loss account	57	23	56	23
At 31 March	(132)	(189)	(133)	(189)

CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

18 PROVISIONS FOR LIABILITIES (CONTINUED)

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
The balance relates to:				
Accelerated capital allowances	(132)	(212)	(133)	(212)
Short term timing differences	-	23	-	23
	<u>(132)</u>	<u>(189)</u>	<u>(133)</u>	<u>(189)</u>

There are no unused tax losses or unused tax credits.

The net deferred tax liability expected to reverse in 2018 is £nil. This primarily relates to the reversal of timing differences on tangible assets and capital allowances through depreciation.

19. FINANCIAL INSTRUMENTS

Group

The Group has the following financial instruments:

	2017	2016
	£'000	£'000
<i>Financial assets that are measured at amortised cost</i>		
Trade debtors	14,651	9,964
Amounts owed by related parties	1,109	467
Forward Exchange Contract	3,301	-
	<u>19,061</u>	<u>10,431</u>
<i>Financial liabilities that are measured at amortised cost</i>		
Trade creditors	18,492	8,992
Amounts owed to related parties	1,303	1,100
	<u>19,795</u>	<u>10,092</u>
<i>Financial liabilities that are measured at fair value through profit or loss</i>		
Forward Exchange Contract	-	1,555

Derivative financial instruments – forward contracts

The Group entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 March 2017, the outstanding contracts all mature within 24 months (2016: 36 months) of the year-end. The Group is committed to buy NOK 190m and pay a fixed sterling amount (2016: buy NOK 225m and pay a fixed sterling amount).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:NOK. The fair value of the forward-foreign currency contracts is £3,301,000 (2016: £1,555,000).

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

19. FINANCIAL INSTRUMENTS (CONTINUED)

Company

The Company has the following financial instruments:

	2017 £'000	2016 £'000
<i>Financial assets that are measured at amortised cost</i>		
Trade debtors	14,508	9,865
Amounts owed by group undertakings	618	563
Amounts owed by related parties	1,068	405
Forward Exchange Contract	3,301	-
	<u>19,495</u>	<u>10,833</u>
<i>Financial liabilities that are measured at amortised cost</i>		
Trade creditors	18,326	8,812
Amounts owed to group undertakings	205	303
Amounts owed to related parties	1,303	1,100
	<u>19,834</u>	<u>10,215</u>
<i>Financial liabilities that are measured at fair value through profit or loss</i>		
Derivative financial instruments	-	1,555

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2017

20. CALLED UP SHARE CAPITAL AND RESERVES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Allotted, called up and fully paid				
24,585 Ordinary A shares of 1p each	246	246	246	246
8,749 Ordinary B shares of 1p each	88	88	88	88
	<u>334</u>	<u>334</u>	<u>334</u>	<u>334</u>

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

Voting rights – A & B shares have equal voting rights.

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

The Company's other reserves are as follows:

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

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

	2017	2016
	£'000	£'000
Equity dividend		
Equity dividends paid during the year	<u>5,897</u>	<u>4,500</u>

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2017

21. FINANCIAL COMMITMENTS

At 31 March 2017 the Group had the following minimum lease payments for land under non-cancellable operating leases for each of the following periods:

	2017 £'000	2016 £'000
Within one year	3,344	2,803
Within two to five years	12,935	11,066
After five years	34,459	35,171
	<u>50,738</u>	<u>49,040</u>

22. ANALYSIS OF NET CASH

	At 31 March 2016 £'000	Cash flow £'000	At 31 March 2017 £'000
Cash in hand and at bank	20,738	(7,421)	13,317

23. RELATED PARTY TRANSACTIONS

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

Group	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
The Mersey Docks & Harbour	4,221	2,445	192	409	1,100	449	55	71
The Manchester Ship Canal	20	18	-	-	1	-	-	-
Peel Utilities Limited	-	-	4	13	-	-	1	-
Clydeport	-	-	-	-	-	-	-	3
Reddington Finance Limited	-	-	3,095	3,046	-	-	879	1,097
Atlantic & Peninsula Marine	-	14	-	-	-	-	-	-
A&P Tyne Properties Limited	-	-	442	-	-	-	368	-
A&P Falmouth	12	-	-	-	-	-	-	-
Marine Designs Limited	-	-	-	-	-	-	-	-
Heysham Ports	14	52	-	-	8	18	-	-
	<u>4,267</u>	<u>2,529</u>	<u>3,733</u>	<u>3,468</u>	<u>1,109</u>	<u>467</u>	<u>1,303</u>	<u>1,171</u>

CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

Company	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
The Mersey Docks & Harbour	3,832	-	192	409	1,068	405	55	71
Peel Utilities Limited	-	-	4	13	-	-	1	3
Clydeport	-	-	-	-	-	-	-	-
Reddington Finance Limited	-	2,363	3,095	3,046	-	-	879	1,097
Atlantic & Peninsula Marine	-	15	-	-	-	-	-	-
A&P Tyne Properties Limited	-	-	-	-	-	-	368	-
A&P Falmouth	12	-	-	-	-	-	-	-
	<u>3,844</u>	<u>2,378</u>	<u>3,291</u>	<u>3,468</u>	<u>1,068</u>	<u>405</u>	<u>1,303</u>	<u>1,171</u>