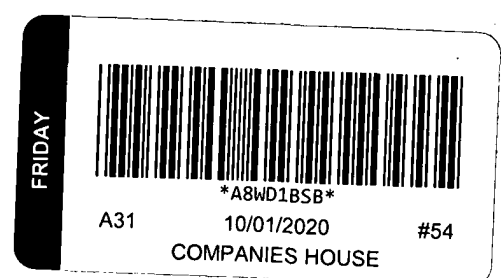


**CAMMELL LAIRD SHIPREPAIRERS  
& SHIPBUILDERS LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 March 2019**



# **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

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# **CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

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

### **SECRETARY**

J R Syvret

### **REGISTERED OFFICE**

Cammell Laird Shipyard  
Campbeltown Road  
Birkenhead  
Merseyside  
CH41 9BP

### **BANKERS**

Barclays Bank plc  
Manchester City Office  
Manchester  
M60 2AU

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Horton House  
Exchange Street East  
Liverpool  
L2 3PG

## **STRATEGIC REPORT**

The directors present their strategic report, directors' report and the audited financial statements of the Group for the year ended 31 March 2019.

### **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**

The year ended 31 March 2019, and the subsequent period have been some of the most challenging times in the Group's history. Whilst the Group won two 10 year contracts to support the Royal Fleet Auxiliary (RFA), worth an estimated £619m, this news has been overshadowed by the financial performance of the business.

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

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

There have been a number of high profile events connected with the vessel, including the naming ceremony in September 2019 attended by the Duke and Duchess of Cambridge and Sir David Attenborough himself.

The work is now well advanced and delivery of the vessel is anticipated in the second quarter of 2020.

A number of design, production and supply chain issues have arisen on the project which have resulted in a significant increase in the actual and projected costs. There is an ongoing review of both the commercial and contractual positions in order to try and mitigate the adverse financial impact on the project and meet the revised programme. The outcome to this review is ongoing and involves both the customer and the Group's principal supply chain partners. The Group has, therefore, recorded a significant loss on the contract in the accounts for the year ended 31 March 2019.

The growth in costs has, in addition, had a significant adverse impact on the Group's cash flow and the majority shareholder has provided substantial additional funds to meet the ongoing working capital needs of the Group.

The Group was subject to industrial action earlier in the year, which resulted in a period of inefficient working. In order to operate successfully, the Group needs to work with its customers to improve the visibility of the forward order book whilst retaining some flexibility to be able to resource the peaks and troughs in the workload.

#### **Other activity in the year**

During the year, the Group designed and built the Red Kestrel, a 74 metre Ro-Ro vessel for Red Funnel Ferries. The ferry was delivered in April 2019 and entered service in May 2019 after successfully completing sea trials.

Further work was carried out on RFA Wave Knight, Fort Victoria and Fort Rosalie as part of the existing Cluster Support Contract.

Within the commercial market, work included dry-dockings for CalMac Ferries, P & O Ferries, Isle of Man Steam Packet Group, Seatruck Ferries, Mersey Travel, Irish Ferries and Svitzer Marine.

In addition, work for BAE Systems on the Dreadnought Submarine programme has been undertaken and this is expected to continue for the next 10 years.

#### **Order book**

The Group was successful in winning the contract to maintain nine RFA vessels over the next 10 years, commencing on 1 April 2019. In addition, the Group won a joint bid with BAE Systems and BMT for the Power Improvement Project for the six Type 45 vessels. This will see a Royal Navy warship enter the yard in early 2020 for the first time in 25 years, another significant milestone in the Group's development.

# CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## STRATEGIC REPORT (CONTINUED)

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS (CONTINUED)

#### Financial performance

There has been a reduction in turnover from £154,157,000 for the year ended 31 March 2018 to £88,585,000 for the year ended 31 March 2019. The loss for the year after tax was £35,577,000 (2018: loss of £897,000). The gross margin was (28.9)% for the year ended 31 March 2019 (2018: 12.1%).

As a result of challenging issues on the RRS Sir David Attenborough, there has been a significant increase in costs which in turn has contributed to significant cash flow pressures in the Group. The majority shareholder has provided funding to support this and intends to continue to do so.

#### Other developments in the year

The Group has continued to invest in its Apprentice Training scheme, with over 180 employees currently in training or now fully qualified tradesmen having completed their programme. Investment in infrastructure, IT and Management systems is to be increased to ensure that we are well positioned to manage the current and future business successfully.

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

#### KEY PERFORMANCE INDICATORS ("KPIs")

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

	2019	2018
Turnover (£'000)	88,585	154,157
Gross (loss)/profit margin as a percentage of turnover	(28.9)%	12.1%
Man hours sold (hours)	1,305,622	1,318,993
Supply chain purchases (£'000)	90,835	91,635

#### Future developments

With the completion of work on the RRS Sir David Attenborough in the second quarter of 2020, the focus of the business will be on the Cluster Support Contract and the Dreadnought Programme.

#### Principal business risks and uncertainties

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

**Brexit:** Since the UK's vote to leave the EU, the Group has not yet encountered any material adverse impact that might be directly attributable to Brexit. However, as negotiations regarding the post-Brexit trading arrangements remain ongoing, there will continue to be economic uncertainty.

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

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

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

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## STRATEGIC REPORT (CONTINUED)

### KEY PERFORMANCE INDICATORS ("KPIs") (CONTINUED)

#### Principal business risks and uncertainties (continued)

**Liquidity risk:** The Group 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 Group continually looks at debtor and creditor days to manage working capital. Long-term projects are financed via stage payments, with balances paid on completion of contracts. The cash flow issues arising on the RRS Sir David Attenborough have resulted in the majority shareholder making cash advances to the Group.

**Interest rate cash flow risk:** Due to the net positive cash position (after majority shareholder support) and with no outstanding bank borrowings, the Group is largely protected from movements in interest rates.

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

**Market:** The Group 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 Group continuously focus on all of these aspects in the day to day running of the business.

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

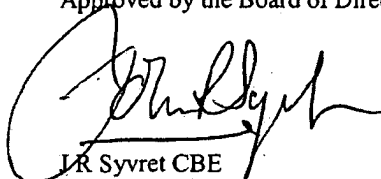
**Other:** The Group operates from approved International Ship and Port Security (ISPS) yards and is independently accredited by Lloyds Register (LRQA) to BS-EN ISO9001-2015 (Quality), BS-EN 14001-2015 (Environmental) and OHSAS 18001-2007 (Safety) Management Systems. In addition, the Group is accredited by BSI to the BS11000:2010 standard for Collaborative Business Relationships and has Cyber Essentials Plus status.

The Group is committed to working with employees for the benefits of both the Group and its workers and to this extent has a partnership agreement with Unite and GMBU. In addition, the Group is working with Liverpool Chamber of Commerce and Mersey Maritime to improve employee skill levels. The Group continues to support many local charitable organisations 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, with support from its majority shareholder, and for this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Approved by the Board of Directors on 10<sup>th</sup> January 2020



I.R. Syvret CBE  
Executive Chairman

Cammell Laird Shipyard  
Campbeltown Road  
Birkenhead  
Merseyside  
CH41 9BP

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2019. 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 and paid to the ordinary B shareholders during the year amounted to £330,000 (2018: £nil). No dividends have been declared or paid since the balance sheet date.

### EMPLOYEES

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

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

### DIRECTORS

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

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

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

	Interests in ordinary B shares of 1p each	
	2019 No.	2018 No.
J R Syvret	5,066	5,066
J Kennedy	791	791
M J Moran	791	791

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### *Cash flow risk*

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

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### *Credit risk*

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

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

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

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

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group 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

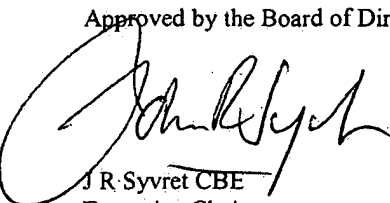
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 10<sup>th</sup> January 2020.



J R Syvret CBE  
Executive Chairman

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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

### **Opinion**

In our opinion the financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 23.

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 are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

## **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements**

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

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

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

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

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

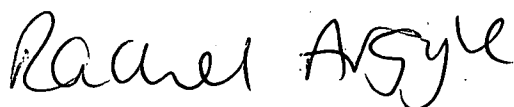
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### **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.



Rachel Argyle (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Liverpool, United Kingdom

10 January 2020

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2019

	Note	2019 £'000	2018 £'000
<b>TURNOVER</b>	5	88,585	154,157
Cost of sales		(114,166)	(135,563)
<b>GROSS (LOSS)/PROFIT</b>		(25,581)	18,594
Administrative expenses		(17,776)	(16,382)
<b>OPERATING (LOSS)/PROFIT</b>		(43,357)	2,212
Net interest expense	8,9	(37)	(3,282)
<b>LOSS BEFORE TAXATION</b>	6	(43,394)	(1,070)
Taxation	10	7,817	173
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(35,577)</u>	<u>(897)</u>

The loss for the financial year derives entirely from continuing activities.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2019

	2019 £'000	2018 £'000
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(35,577)</u>	<u>(897)</u>

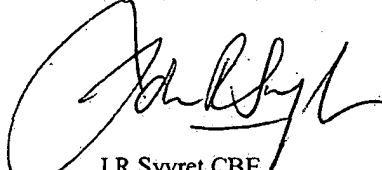
# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED BALANCE SHEET As at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	8,314	8,135
<b>CURRENT ASSETS</b>			
Stock	13	410	417
Debtors amounts falling due within one year	14	39,917	32,606
Cash at bank and in hand	15	3,076	16,724
		43,403	49,747
<b>CREDITORS: amounts falling due within one year</b>	16	(62,642)	(32,879)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(19,239)	16,868
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(10,925)	25,003
<b>PROVISIONS FOR LIABILITIES</b>	17	-	(21)
<b>NET (LIABILITIES)/ASSETS</b>		(10,925)	24,982
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	-	-
Share premium account		450	450
Profit and loss account		(11,375)	24,532
<b>TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS</b>		(10,925)	24,982

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on January 2020.

Signed on behalf of the Board of Directors by:

 10<sup>th</sup> Jan 2020

J R Syvret CBE  
Executive Chairman

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## COMPANY BALANCE SHEET

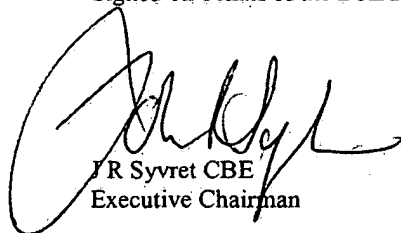
As at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Investments	11	-	-
Tangible assets	12	8,306	8,123
		<u>8,306</u>	<u>8,123</u>
<b>CURRENT ASSETS</b>			
Stock	13	386	386
Debtors amounts falling due within one year	14	40,189	32,669
Cash at bank and in hand	15	2,989	16,366
		<u>43,564</u>	<u>49,421</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>(62,795)</u>	<u>(32,540)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(19,231)</u>	<u>16,881</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(10,925)</u>	<u>25,004</u>
<b>PROVISIONS FOR LIABILITIES</b>	17	-	(22)
<b>NET (LIABILITIES)/ASSETS</b>		<u>(10,925)</u>	<u>24,982</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	-	-
Share premium account		450	450
Profit and loss account		<u>(11,375)</u>	<u>24,532</u>
<b>TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS</b>		<u>(10,925)</u>	<u>24,982</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent Company profit and loss account. The Company loss for the year ended 31 March 2019 was £35,577,000 (2018: £897,000).

These financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited, registered number 4211637, were approved by the Board of Directors and authorised for issue on 16<sup>th</sup> January 2020.

Signed on behalf of the Board of Directors by:

  
J R Syvret CBE  
Executive Chairman

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**Year ended 31 March 2019**

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>As at 1 April 2017</b>	-	450	25,429	25,879
Loss and total comprehensive income for the financial year	-	-	(897)	(897)
<b>As at 31 March 2018</b>	-	450	24,532	24,982
Dividends paid (note 19)	-	-	(330)	(330)
Loss and total comprehensive income for the financial year	-	-	(35,577)	(35,577)
<b>As at 31 March 2019</b>	-	450	(11,375)	(10,925)

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>As at 1 April 2017</b>	-	450	25,429	25,879
Loss and total comprehensive income for the financial year	-	-	(897)	(897)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31 March 2018</b>	-	450	24,532	24,982
Dividends paid (note 19)	-	-	(330)	(330)
Loss and total comprehensive income for the financial year	-	-	(35,577)	(35,577)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31 March 2019</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2019

	2019 £'000	2018 £'000
<b>Cash (outflow)/inflow from operating activities</b>	(11,900)	7,905
UK corporation tax paid	-	(994)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(11,900)</u>	<u>6,911</u>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(1,381)	(3,485)
Interest paid	(37)	(19)
<b>Net cash outflow from investing activities</b>	<u>(1,418)</u>	<u>(3,504)</u>
<b>Cash flow from financing activities</b>		
Dividends paid	(330)	-
<b>Net cash outflow from financing activities</b>	<u>(330)</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(13,648)	3,407
Cash and cash equivalents at the beginning of the year	16,724	13,317
Cash and cash equivalents at the end of the year	<u>3,076</u>	<u>16,724</u>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank and in hand	3,076	16,724
<b>Cash and cash equivalents</b>	<u>3,076</u>	<u>16,724</u>

## CONSOLIDATED RECONCILIATION OF OPERATING (LOSS)/PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES Year ended 31 March 2019

	2019 £'000	2018 £'000
Operating (loss)/profit	(43,357)	2,212
Depreciation	1,202	1,169
Decrease/(increase) in stocks	7	(9)
Decrease/(increase) in debtors	485	(3,578)
Increase in creditors	29,763	8,111
<b>Cash (outflow)/inflow from operating activities</b>	<u>(11,900)</u>	<u>7,905</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2019**

**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 financial statements.

***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 2019 financial statements, which include detailed cash flow forecasts and working capital availability, and have taken account of reasonably possible sensitivities for changes in trading performance.

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. In forming this conclusion, they have taken account of the ongoing support confirmed by the company's owners. 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 March 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Foreign currencies***

*(i) Functional and presentation currency*

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

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

*(ii) Transactions and balances*

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

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

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

***Revenue recognition***

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

***Employee benefits***

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

*(i) Short-term benefits*

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

*(ii) Defined contribution pension plans*

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

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 March 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

***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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 March 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Financial instruments (continued)*

*(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, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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

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

*Contract balances*

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

*Government grants*

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 March 2019**

**4. 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 Group'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 Group 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 (which includes an estimate of the cost to complete) from each contract based on available information and past performance. Losses are provided for in full as soon as they become apparent.

*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.

**5. TURNOVER**

All turnover was generated in the UK.

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

	2019 £'000	2018 £'000
Contracts	88,585	154,157

**6. LOSS BEFORE TAXATION**

Loss before taxation is stated after charging:

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets – owned	1,202	1,169
Operating leases – other	3,250	3,442
Machinery and equipment hire	648	642
<b>Auditor's remuneration</b>		
For the audit of the Group's annual financial statements	60	60
For non-audit taxation services	11	-

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

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2019

### 7. STAFF COSTS

	2019 £'000	2018 £'000
Wages	30,673	30,866
Social security costs	4,125	3,791
Pension costs	307	309
<b>Staff costs</b>	<b>35,105</b>	<b>34,966</b>

Staff costs of £219,000 (2018: £385,000) have been capitalised in the year.

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

	2019 Number	2018 Number
Operations	704	708
Administration	42	42
	<b>746</b>	<b>750</b>

#### *Directors' emoluments*

	2019 £'000	2018 £'000
Emoluments	441	543

There are no directors with benefits accruing under a Company pension scheme (2018: none). The highest paid director received emoluments of £253,000 for the year ended 31 March 2019 (2018: £313,000).

#### *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:

	2019 £'000	2018 £'000
Emoluments	1,167	1,234

### 8. INTEREST RECEIVABLE

	2019 £'000	2018 £'000
<b>Interest receivable and similar income</b>		
Bank interest receivable	-	19

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 March 2019

#### 9. INTEREST PAYABLE

	2019 £'000	2018 £'000
<b>Interest payable and similar expenses</b>		
Bank interest payable	37	-
<b>Interest expense on financial instruments measured at fair value through profit and loss</b>		
Losses on derivative financial instruments	-	3,301
	<u>37</u>	<u>3,301</u>

#### 10. TAXATION

	2019 £'000	2018 £'000
<b>Current tax</b>		
UK corporation tax	-	(62)
Group relief receivable	(8,022)	-
Adjustments in respect of previous years	254	-
Total current tax credit	<u>(7,768)</u>	<u>(62)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6)	(82)
Adjustments in respect of previous years	(43)	-
Effect of changes in tax rates	-	(29)
Total deferred tax credit (note 17)	<u>(49)</u>	<u>(111)</u>
Total taxation	<u>(7,817)</u>	<u>(173)</u>

The tax credit for the year is lower than (2018: lower than) the loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £'000	2018 £'000
<b>Loss on ordinary activities before taxation</b>	(43,394)	(1,070)
Loss on ordinary activities, multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(8,245)	(203)
Effects of:		
Expenses not deductible for tax purposes	217	59
Changes in tax rates	-	(29)
Adjustments in respect of previous years	211	-
Total taxation	<u>(7,817)</u>	<u>(173)</u>

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 was substantively enacted at the year end the impact of the anticipated rate change is reflected in the tax provisions reported in these financial statements. Accordingly, deferred tax balances have been stated at the lower rate of 17% in these financial statements.



# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 March 2019

#### 11. FIXED ASSET INVESTMENTS

	Company	
	2019	2018
	£'000	£'000
Shares in group undertakings	-	-

The Company had the following investments all registered in England and Wales at 31 March 2019:

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

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

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

Neway Industrial and Environmental Services Limited (registered number 06503981) and Atlantic Engineering & Laboratories Limited (registered number 08444283) are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts. The Company has guaranteed all outstanding liabilities to which Neway Industrial and Environmental Services Limited and Atlantic Engineering & Laboratories Limited were subject as at 31 March 2019 until they are settled in full. This guarantee is given in accordance with section 479C of the Companies Act 2006.

Scott Lithgow Shiprepairers & Shipbuilders Limited (formerly IPG-UK Nuclear Alliance Limited) was dissolved on 21 May 2019.

#### 12. TANGIBLE FIXED ASSETS

##### Group

	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2018	4,186	10,450	289	360	15,285
Additions	639	742	-	-	1,381
At 31 March 2019	4,825	11,192	289	360	16,666
<b>Accumulated depreciation</b>					
At 1 April 2018	2,489	4,111	271	279	7,150
Charge for the year	342	824	9	27	1,202
At 31 March 2019	2,831	4,935	280	306	8,352
<b>Net book value</b>					
At 31 March 2019	1,994	6,257	9	54	8,314
At 31 March 2018	1,697	6,339	18	81	8,135

# CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 March 2019

#### 12. TANGIBLE FIXED ASSETS (CONTINUED)

Company	Plant and equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2018	4,186	10,450	289	339	15,264
Additions	639	742	-	-	1,381
At 31 March 2019	4,825	11,192	289	339	16,645
<b>Accumulated depreciation</b>					
At 1 April 2018	2,489	4,111	271	270	7,141
Charge for the year	342	825	9	22	1,198
At 31 March 2019	2,831	4,936	280	292	8,339
<b>Net book value</b>					
At 31 March 2019	1,994	6,256	9	47	8,306
At 31 March 2018	1,697	6,339	18	69	8,123

At 31 March 2019, there were no capital commitments contracted but not provided for in the financial statements (2018: £nil).

#### 13. STOCK

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Raw materials and consumables	410	417	386	386

#### 14. DEBTORS

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	11,561	9,223	11,386	8,854
Amounts recoverable on contracts	8,922	19,429	8,904	19,429
Amounts owed by group undertakings	-	-	513	444
Amounts owed by related parties	385	632	348	599
Other debtors	8,518	1,815	8,486	1,798
Group relief receivable	8,342	574	8,342	574
Other taxation and social security	1,488	933	1,509	971
Deferred tax asset (see note 17)	701	-	701	-
	39,917	32,606	40,189	32,669

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2019

### 15. CASH AT BANK AND IN HAND

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Cash at bank	3,076	16,724	2,989	16,366

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

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	21,487	22,804	20,673	22,412
Deferred income	26,616	-	26,616	-
Amounts owed to group undertakings	-	-	1,166	164
Amounts owed to related parties	3,621	1,255	3,621	1,255
Other taxation and social security payable	2,056	2,047	1,913	1,947
Accruals and deferred income	8,862	6,773	8,806	6,762
	62,642	32,879	62,795	32,540

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

### 17. PROVISIONS FOR LIABILITIES

#### Deferred taxation

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
At 1 April	21	132	22	133
Credited to profit and loss account	(49)	(111)	(50)	(111)
RDEC recoverable	(673)	-	(673)	-
At 31 March	(701)	21	(701)	22

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

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
The balance relates to:				
Accelerated capital allowances	(28)	21	(28)	22
RDEC recoverable	(673)	-	(673)	-
	(701)	21	(701)	22

There are no unused tax losses or unused tax credits.

The Research and Development Expenditure Credit (RDEC) balance is expected to be recoverable in the year ending 31 March 2020.

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 March 2019

#### 18. FINANCIAL INSTRUMENTS

##### Group

The Group has the following financial instruments:

	2019 £'000	2018 £'000
<i>Financial assets measured at amortised cost</i>		
Trade debtors	11,561	9,223
Amounts owed by related parties	385	632
	<u>11,946</u>	<u>9,855</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	(21,487)	(22,804)
Amounts owed to related parties	(3,621)	(1,255)
	<u>(25,108)</u>	<u>(24,509)</u>

##### Company

The Company has the following financial instruments:

	2019 £'000	2018 £'000
<i>Financial assets that are measured at amortised cost</i>		
Trade debtors	11,386	8,854
Amounts owed by group undertakings	513	444
Amounts owed by related parties	348	599
	<u>12,247</u>	<u>9,897</u>
<i>Financial liabilities that are measured at amortised cost</i>		
Trade creditors	(20,673)	(22,412)
Amounts owed to group undertakings	(1,166)	(164)
Amounts owed to related parties	(3,621)	(1,255)
	<u>(25,460)</u>	<u>(23,831)</u>

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2019

### 19. CALLED UP SHARE CAPITAL AND RESERVES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Allotted, called up and fully paid</b>				
24,585 Ordinary A shares of 1p each	246	246	246	246
8,749 Ordinary B shares of 1p each	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.

	2019	2018
	£'000	£'000
<b>Equity dividends</b>		
Equity dividends paid during the year	<u>330</u>	<u>-</u>

Dividends of £37.69 per Ordinary B share of 1p each were paid on 4 April 2018 at which point there were positive distributable reserves.

# CAMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 March 2019

#### 20. FINANCIAL COMMITMENTS

At 31 March 2019, the Group had the following minimum lease payments for land under non-cancellable operating leases for each of the following periods:

	2019 £'000	2018 £'000
Within one year	3,276	3,271
Within two to five years	12,675	12,638
After five years	31,756	31,486
	<u>47,707</u>	<u>47,395</u>

#### 21. ANALYSIS OF NET CASH

	At 31 March 2018 £'000	Cash flow £'000	At 31 March 2019 £'000
Cash at bank	16,724	(13,648)	3,076

#### 22. RELATED PARTY TRANSACTIONS

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

Group	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
The Mersey Dock & Harbour Company Limited	3,041	5,929	871	324	229	33	142	128
The Manchester Ship Canal Company Limited	9	2	-	-	-	599	-	-
Peel Utilities Limited	-	-	-	-	-	-	-	-
Reddington Finance Limited	-	-	2,929	3,363	-	-	879	1,127
Atlantic & Peninsula Marine Services Limited	-	6	-	-	-	-	-	-
A&P Tyne Properties Limited	-	-	612	2,253	156	-	-	-
A&P Falmouth Limited	11	-	-	-	-	-	-	-
Marine Designs Limited	-	74	-	-	-	-	-	-
Heysham Port Limited	-	4	-	-	-	-	-	-
	<u>3,061</u>	<u>6,015</u>	<u>4,412</u>	<u>5,940</u>	<u>385</u>	<u>632</u>	<u>1,021</u>	<u>1,255</u>

During the year ended 31 March 2019, the Group received funding from Peel Ports Limited. An amount of £2,600,000 was outstanding as at 31 March 2019 (2018 - £nil).

# CAMMELL LAIRD SHIPREPAIRERS & SHIPBUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2019

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

Company	Sales of goods or services		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018	2019 £'000	2018 £'000
The Mersey Dock & Harbour Company Limited	2,931	5,638	871	324	192	-	2,742	128
The Manchester Ship Canal Company Limited	-	-	-	-	-	599	-	-
Peel Utilities Limited	-	-	-	-	-	-	-	-
Reddington Finance Limited	-	-	2,834	3,363	-	-	879	1,127
A&P Tyne Properties Limited	-	-	612	2,253	156	-	-	-
A&P Falmouth Limited	11	-	-	-	-	-	-	-
Marine Designs Limited	-	74	-	-	-	-	-	-
	<u>2,942</u>	<u>5,712</u>	<u>4,317</u>	<u>5,940</u>	<u>348</u>	<u>599</u>	<u>3,621</u>	<u>1,255</u>

### 23. CONTINGENT LIABILITIES

Contingent liabilities are potential future cash outflows which are either not probable or cannot be measured reliably. The Group has entered into a number of guarantee and performance bond arrangements in the normal course of business and regards these as insurance contracts. The Group is party to legal actions and claims which arise in the normal course of business. Provision is made for any amounts that the directors consider may become payable. The Group has no individually significant contingent liabilities.