

**Cornwall Marine Network Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 March 2020**

Registration number: 04477226

# Cornwall Marine Network Limited

## Contents

Balance Sheet	<u>1</u>
Notes to the Financial Statements	<u>2</u> to <u>12</u>

# Cornwall Marine Network Limited

## Balance Sheet

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	4,120	4,120
Tangible assets	<u>5</u>	22,839	28,742
Investments	<u>6</u>	702	702
		<u>27,661</u>	<u>33,564</u>
<b>Current assets</b>			
Debtors	<u>7</u>	367,313	360,391
Cash at bank and in hand		361	186
		<u>367,674</u>	<u>360,577</u>
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	<u>(391,726)</u>	<u>(206,313)</u>
<b>Net current (liabilities)/assets</b>		<u>(24,052)</u>	<u>154,264</u>
<b>Total assets less current liabilities</b>		3,609	187,828
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	(91,548)	(126,458)
<b>Deferred income</b>		<u>(10,000)</u>	<u>(59,118)</u>
<b>Net (liabilities)/assets</b>		<u>(97,939)</u>	<u>2,252</u>
<b>Capital and reserves</b>			
Profit and loss account		<u>(97,939)</u>	<u>2,252</u>
<b>Total equity</b>		<u>(97,939)</u>	<u>2,252</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 30 March 2021 and signed on its behalf by:

.....  
P A Wickes MBE  
Director

Company Registration Number: 04477226

# **Cornwall Marine Network Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **1 General information**

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

The address of its registered office is:  
Unit 7A and 7B Falmouth Business Park  
Bickland Water Road  
Falmouth  
Cornwall  
TR11 4SZ

These financial statements were authorised for issue by the Board on 30 March 2021.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Summary of disclosure exemptions**

The company has taken advantage of the exemption under paragraph 33.1A "Related Party Disclosures" of FRS102 from disclosing transactions with wholly owned members of the group.

# **Cornwall Marine Network Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2020**

#### **Going concern**

At the balance sheet date CMN had net liabilities of £97,939 (2019 – net assets of £2,252). CMN however does have long term repayment plans in place with key lenders and has benefitted from repayment holidays from these lenders. This has allowed for the majority of repayments against the other borrowings of £237,000 to be deferred until post 31 March 2021.

In addition to the deferral of repayments, subsequent to 31 March 2020, CMN has successfully obtained loans amounting to £154,225 from the bank and other key stakeholders. The bank overdraft has also been extended until March 2022. The loans are exclusively to support the record growth in turnover because most projects income is received quarterly and 90 days in arrears, meaning we only borrow against the strength of known income.

At the time of signing the balance sheet, CMN had been notified (verbally and in writing) of more than £8.7 million of new project successes which will be recognised as revenue when earned over the next 3 to 4 years. Further project wins are also expected, which will sustain the company over the next 4 years.

The new projects will enable CMN to provide the largest range of services to our Members than at any other time in our 16-year history. All this at a time when many of our members have been massively impacted by the Covid lockdown, meaning many of them need more help and support than ever before. This anticipated growth, and expected surpluses generated from the new projects, will be key to CMN meeting its debt servicing requirements in the future.

Turnover to 28 February 2021 is already ahead of the whole of previous financial year at £1.3 million compared to £1.2 million and the strength of the new project base will see the current loss eliminated and CMN return to a trading surplus, despite the temporary reduction in commercial training caused by Covid-19.

Given the above the directors have decided that it is appropriate for the accounts to be prepared on a going concern basis.

#### **Revenue recognition**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of services to customers.

#### **Government grants**

Government grants in respect of capital expenditure are credited to deferred income and are released to the profit and loss over the expected useful lives of the related assets.

# Cornwall Marine Network Limited

## Notes to the Financial Statements

### Year Ended 31 March 2020

#### Other grants

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Due to the nature of the company's trade its primary source of income is government and other associated bodies grant funding. Each funding project is assessed individually based on the terms of the funding agreement and income is released to the profit & loss account so as to match with the related expenditure incurred by the company. Where the terms of the agreements are subjective the directors use their judgement to assess the release of this income and this is carried out regularly throughout the year. At the year-end a full reconciliation is completed to ensure that income recognition is in line with relevant Accounting Standards and UK GAAP.

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Website development costs	20% straight line

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and fittings	20% straight line

#### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

# **Cornwall Marine Network Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2020**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# **Cornwall Marine Network Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2020**

#### **Financial instruments**

##### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank and other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank and other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank and other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.



# Cornwall Marine Network Limited

## Notes to the Financial Statements

### Year Ended 31 March 2020

#### **Critical accounting judgements and estimation uncertainty**

Management evaluate estimates and judgements on an annual basis, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates applied by management are as outlined below:

#### **Revenue recognition**

Due to the varying nature of the projects undertaken by CMN, management carefully review the contracts in place to ensure that revenue is recognised appropriately.

When projects advance funds to CMN before the provision of services, or expenditure being incurred, CMN will defer the funds as deferred income. This will then be released to the profit and loss account as the services are provided and expenditure incurred.

Conversely, CMN will accrue for revenue when the project makes payments in arrears. This is based on the value of services provided and expenditure incurred up to 31 March 2020.

#### **Recoverability of debtors**

Management regularly assess the debtors outstanding and there likelihood of recovery. Where management believe there is uncertainty over the recoverability of the balances outstanding provisions are put in place to reduce the balance down to its anticipated recoverable value.

#### **Depreciation and useful economic lives of intangible and tangible assets**

Management have carefully considered the depreciation estimates applied on the intangible and tangible assets held by the group. This assessment is performed on an annual basis, and would be amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of each asset.

#### **Intangible assets**

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

The cost of intangible assets includes directly attributable incremental costs incurred in their acquisition and development.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 27 (2019 - 25).

# Cornwall Marine Network Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

### 4 Intangible assets

	Website development costs £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	4,120	4,120
At 31 March 2020	4,120	4,120
<b>Amortisation</b>		
At 1 April 2019	-	-
At 31 March 2020	-	-
<b>Carrying amount</b>		
At 31 March 2020	4,120	4,120
At 31 March 2019	4,120	4,120

### 5 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	40,837	40,837
Additions	1,162	1,162
At 31 March 2020	41,999	41,999
<b>Depreciation</b>		
At 1 April 2019	12,095	12,095
Charge for the year	7,065	7,065
At 31 March 2020	19,160	19,160
<b>Carrying amount</b>		
At 31 March 2020	22,839	22,839
At 31 March 2019	28,742	28,742

# Cornwall Marine Network Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

### 6 Investments

	2020 £	2019 £
Investments in subsidiaries	702	702
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2019		702
At 31 March 2020		702
<b>Carrying amount</b>		
At 31 March 2020		702
At 31 March 2019		702

All of the above companies are currently dormant and the registered offices are the same as the parent company.

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2020	2019
<b>Subsidiary undertakings</b>			
UK Marine Network Limited	Ordinary shares	100%	100%
Devon Marine Network Limited	Ordinary shares	100%	100%
Blue Growth UK Limited	Ordinary shares	100%	100%
Marine Technology Hub Cornwall Limited	Ordinary shares	100%	100%
Marine Hub Cornwall Limited	Ordinary shares	100%	100%
Marine Renewables Hub Cornwall Limited	Ordinary shares	100%	100%



# Cornwall Marine Network Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

Undertaking	Holding	Proportion of voting rights and shares held	
Cornwall Marine Technology Hub Limited	Ordinary Shares	100%	100%

### 7 Debtors

	Note	2020 £	2019 £
Trade debtors		34,965	36,552
Amounts due from related parties	<u>12</u>	28,649	32,063
Other debtors and accrued income		264,960	254,874
Prepayments		38,739	36,902
		<u>367,313</u>	<u>360,391</u>

### 8 Creditors

#### Creditors: amounts falling due within one year

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>9</u>	179,667	40,382
Trade creditors		62,231	64,745
Amounts due to related parties	<u>12</u>	700	700
Taxation and social security		102,276	54,573
Accruals and deferred income		31,755	37,510
Other creditors		15,097	8,403
		<u>391,726</u>	<u>206,313</u>

#### Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<u>9</u>	<u>91,548</u>	<u>126,458</u>

# Cornwall Marine Network Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

### 9 Loans and borrowings

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank overdrafts	22,756	35,471
Finance lease liabilities	4,911	4,911
Other borrowings	152,000	-
	<u>179,667</u>	<u>40,382</u>
	2020 £	2019 £
<b>Loans and borrowings due after one year</b>		
Finance lease liabilities	6,548	11,458
Other borrowings	85,000	115,000
	<u>91,548</u>	<u>126,458</u>

### 10 Share capital

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members are liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

### 11 Financial commitments, guarantees and contingencies

#### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £166,080 (2019 - £192,063). The company has operating lease commitments in relation to the lease of the premises from which it operates and office equipment. The majority of the committed lease charges are payable over a period until March 2026.

#### Other commitments

The company is the sole member of Cornwall Apprenticeship Agency Limited a company limited by guarantee. In the event of the company entering liquidation the company would be liable to contribute an amount not exceeding £10 towards the assets of Cornwall Apprenticeship Agency Limited.

# **Cornwall Marine Network Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **12 Related party transactions**

The company has taken advantage of the exemption under paragraph 33.1A Related Party Disclosures of FRS102 from disclosing transactions and balances with wholly owned subsidiaries.

#### **Summary of key transactions with Members**

During the year certain members advanced £62,000 as loan notes. These loan notes are repayable on demand and attract interest at 5.5% above base. At the balance sheet date the amount owed to these members was £62,000 (2019 - £nil).

#### **Summary of transactions with other related parties**

Companies under the common control of Cornwall Marine Network Limited.

During the year the company charged Cornwall Apprentice Agency Limited management fees of £3,500 (2019 - £4,900). At the balance sheet date the amount due from Cornwall Apprentice Agency Limited was £28,633 (2019 - £32,063).

During the year the company charged Cornwall Marine Academy C.I.C. management fees of £11,000 (2019 - £nil). At the balance sheet date the amount due from Cornwall Marine Academy C.I.C. was £16 (2019 - £nil).

During the prior year an amount owed by MOR Group Limited was written off totalling £19,404. At the balance sheet date the amount due from MOR Group Limited was £nil (2019 - £nil).

### **13 Audit report**

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Andrew Allen BSc FCA, who signed for and on behalf of PKF Francis Clark on 30 March 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.