Arca Bidco Limited

Registered No. 09259228

Annual Report and Financial Statements

52 week period ended 28 March 2020

DIRECTORS AND ADVISORS

DIRECTORS
S Lowry
A N O'Hara
P R Winter

SECRETARY
TMF Corporate Administration Services Limited
8th Floor
20 Farringdon Street
London
EC4A 4AB

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

BANKERS
Royal Bank of Scotland plc
3 Hampshire Corporate Park
Templars Way
Chandler's Ford
SO53 3RY

SOLICITORS
Travers Smith Limited
10 Snow Hill
London
EC1A 2AL

REGISTERED OFFICE
8th Floor
20 Farringdon Street
London
EC4A 4AB

STRATEGIC REPORT

The directors present their strategic report for the 52 week period ended 28 March 2020.

REVIEW OF THE BUSINESS

Strategy

Arca Bidco Limited ("the company") acts as a holding company and holds the external bank debt on behalf of the group of companies headed by Arca Topco Limited ("the group").

Both the level of business during the period and the financial position at the end of the period are considered to be satisfactory for a company of this nature.

Due to the company being a holding company within the group, for further details on the business review including details of principal risks and uncertainties and key performance indicators for the group as a whole, which are considered to incorporate those of the company, please refer to the Annual Report and Financial Statements of Arca Topco Limited. A copy of the financial statements of Arca Topco Limited is available from Gunwharf Terminal, Gunwharf Road, Portsmouth, Hampshire, PO1 2LA.

On 28 May 2019, 50% of the share capital of the company's ultimate parent undertaking, Arca Topco Limited, and 50% of the shareholder debt of the company's fellow subsidiary undertaking, Arca Holdco Limited, were purchased by Eaglecrest Marine Bidco Limited. There was no change to the amount or terms of the debt held resulting from the transaction.

Future developments

The directors expect that the current level of activity will be sustained for the foreseeable future. The emergence of the Covid-19 pandemic in the year has not impacted the results of the company or its future expected activities, due to the nature of the company being a holding company.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of interest rate risk, liquidity risk and exchange rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on financial performance by monitoring levels of debt finance and the related finance costs.

Interest rate risk

The company's external net borrowings are in the form of medium-term variable rate debt, the nature of which is, in the opinion of the directors, appropriate to the company's operations. The company utilises interest rate swaps to fix the interest rate on its debt.

Liquidity risk

The company's policy on funding capacity is to ensure that it always has sufficient long-term funding and committed bank facilities in place to meet foreseeable peak borrowing requirements.

Exchange rate risk

The company has foreign currency bank loan facilities. The company occasionally uses derivatives swaps and options to hedge movements in the future price of foreign currencies.

On behalf of the Board

P R Winter
Director
31 March 2021

DIRECTORS' REPORT

The directors present their Annual Report and the audited financial statements for the 52 week period ended 28 March 2020.

A review of the business, details of principal risks and uncertainties, key performance indicators, future developments of the company's business and financial risk management policies are covered in the Strategic Report.

PRINCIPAL ACTIVITIES

The company acts as a holding company and holds the external bank debt on behalf of the group of companies headed by Arca Topco Limited Wightlink group.

RESULTS AND DIVIDENDS

The loss for the 52 week financial period amounted to £1,053,000 (52 week period ended 30 March 2019: profit of £319,000).

The directors do not recommend the payment of a dividend (52 week period ended 30 March 2019: £nil).

GOING CONCERN

The company has intercompany loans with its parent undertaking. The directors have prepared these financial statements on a going concern basis as the intercompany loans are not repayable until 2044. The parent undertaking is also unable to demand repayment of these amounts if such repayment would result in the company becoming insolvent.

DIRECTORS

The directors of the company who were in office during the period and up to the date of signing the financial statements were as follows:

S Lowry	
H W J Hanna	(resigned 8 April 2020)
A N O'Hara	
P R Winter	(appointed 3 February 2021)
J M Pascoe	(resigned 1 February 2021)

DIRECTORS' LIABILITIES

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the financial year and also at the date of approving the Directors' Report and these financial statements.

EMPLOYEES

The company has no employees (52 week period ended 30 March 2019: nil).

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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.

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.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors' Board Meeting.

On behalf of the Board

P R Winter
Director
31 March 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCA BIDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Arca Bidco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2020 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 28 March 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCA BIDCO LIMITED (CONTINUED)

Reporting on other information (continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 28 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Sophie Murton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

31 March 2021

STATEMENT OF COMPREHENSIVE INCOME
For the 52 week period ended 28 March 2020

	Note	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Administrative expenses		**(155)**	(159)
OPERATING LOSS		**(155)**	(159)
Interest receivable and similar income	3	**21,776**	21,776
Interest payable and similar expenses	3	**(22,674)**	(21,298)
NET FINANCE (COST) / INCOME	3	**(898)**	478
(LOSS) / PROFIT BEFORE TAXATION		**(1,053)**	319
Tax on (loss) / profit	4	**-**	-
(LOSS FOR THE FINANCIAL PERIOD AND TOTAL COMPREHENSIVE EXPENSE) / PROFIT FOR THE FINANCIAL PERIOD AND TOTAL COMPREHENSIVE INCOME		**(1,053)**	319

The results above relate entirely to continuing operations.

The notes on pages 11 to 18 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 28 March 2020

	Note	**28 March 2020 £000**	30 March 2019 £000
FIXED ASSETS			
Investments	5	**215**	215
CURRENT ASSETS			
Debtors (including £285,989,000 (2019: £270,413,000) falling due after more than one year)	6	**311,164**	292,699
Cash at bank and in hand		**11**	11
		311,175	292,710
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	**(22,438)**	(5,624)
NET CURRENT ASSETS		**288,737**	287,086
TOTAL ASSETS LESS CURRENT LIABILITIES		**288,952**	287,301
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Bank loans and overdrafts	8	**(169,735)**	(167,559)
Amounts owed to group undertakings	8	**(74,871)**	(74,343)
		(244,606)	(241,902)
NET ASSETS		**44,346**	45,399
EQUITY			
Called up share capital	9	**26,007**	26,007
Retained earnings		**18,339**	19,392
TOTAL EQUITY		**44,346**	45,399

The notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements on pages 8 to 18 were approved by the Board and signed on its behalf on 31 March 2021.

P R Winter
Director

STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 28 March 2020

	Called up share capital £000	Retained earnings £000	Total equity £000
Balance as at 1 April 2018	26,007	19,073	45,080
Profit and total comprehensive income for the financial period	-	319	319
Balance as at 30 March 2019	26,007	19,392	45,399
Loss and total comprehensive expense for the financial period	-	(1,053)	(1,053)
Balance as at 28 March 2020	**26,007**	**18,339**	**44,346**

General information
Arca Bidco Limited ("the company") is a private limited company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 8th Floor, 20 Farringdon Street, London, EC4A 4AB.

The company acts as a holding company and holds the bank debt on behalf of the Wightlink group.

Statement of compliances
The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss and in accordance with the applicable accounting standards in the United Kingdom and Companies Act 2006. 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 periods presented, unless otherwise stated.

Going concern
The company has intercompany loans with its parent undertaking. The directors have prepared these financial statements on a going concern basis as the intercompany loans are not repayable until 2044. The parent undertaking is also unable to demand repayment of these amounts if such repayment would result in the company becoming insolvent.

Consolidated financial statements
The financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Arca Topco Limited, a company incorporated in the United Kingdom (see note 12).

Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with.

As a qualifying entity, the company has taken advantage of the following exemptions:

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present financial instrument disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, paragraphs 12.26 and 12.29;
(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv); and
(iv) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7.

Foreign currencies
Functional and presentation currency
The company's functional and presentation currency is the pound sterling.

Transactions and balances
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

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

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

Investments

Investments are stated at cost less any provision for impairment. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment of non-financial assets

At each reporting date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation thereafter any excess in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash in bank and in hand, restricted cash, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within liabilities.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments
The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including amounts owed by group undertakings, cash and bank balances 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, (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, including amounts owed to group undertakings and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised against the liability and incorporated in to the effective interest rate calculations, they are then amortised over the period of the loan to which those costs relate.

Derivatives, including interest rate swaps and 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 are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss.

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

Capital instruments
Instruments are included in shareholders' funds where in substance they offer a residual interest in the assets of the company after deducting all of its liabilities. Other instruments are classified as liabilities if, in substance, they contain an obligation to transfer economic benefits. The finance cost, including debt issue costs, recognised in the profit or loss in respect of new capital instruments designated as liabilities is allocated to periods over the term of the instrument at a constant rate on the carrying amount. Debt issue costs associated with a restructuring of existing debt are recognised in profit or loss in the period incurred.

Related party disclosures
The company has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102, and does not disclose transactions with members of the same group that are wholly owned.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Critical accounting judgements and key source of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The directors do not consider there to be any critical accounting judgements or key sources of estimation uncertainty within the company's financial statements that could reasonably be expected to change materially in the next year and therefore require specific disclosure.

2. **DIRECTORS' REMUNERATION AND AUDITORS FEES**

The company had no employees during the current period (52 week period ended 31 March 2019:nil).

H W J Hanna, S Lowry, and A N O'Hara are remunerated by Basalt Infrastructure Partners LLP rather than by the company.

P R Winter is subject to a service agreement with and is remunerated by the company's subsidiary undertaking, Wightlink Limited – this was also true of J M Pascoe prior to his resignation as a director.

All of the directors services to this company are considered to be incidental to their services to the group and as such no amounts have been recharged to the company and no separate amount has been disclosed within these financial statements (52 week period ended 31 March 2019: £nil).

Auditors' fees of £10,000 (52 week period ended 31 March 2019: £10,000) are borne by the company's subsidiary undertaking, Wightlink Limited. In accordance with S1 2008/489, the company has not disclosed the fees payable to the company's auditors for other services, as this information is included in the consolidated financial statements of Arca Topco Limited.

3. **INTEREST RECEIVABLE AND SIMILAR INCOME AND INTEREST PAYABLE AND SIMILAR EXPENSES**

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Interest receivable from group undertakings	**21,776**	21,776
Interest receivable and similar income	**21,776**	21,776
Bank loans and overdrafts	**(6,710)**	(6,507)
Interest payable to group undertakings	**(6,729)**	(7,933)
Losses on derivatives	**(8,615)**	(5,052)
Unwinding of arrangement fees	**(620)**	(1,806)
Interest payable and similar expenses	**(22,674)**	(21,298)
Net finance (cost) / income	**(898)**	478

4. TAX ON (LOSS) / PROFIT

(a) *Tax on (loss) / profit*

There is no current or deferred tax charge or credit for the year (52 week period ended 30 March 2019: nil).

(b) Factors affecting tax charge for period

The tax assessed on the (loss) / profit before taxation for the period is higher (52 week period ended 30 March 2019: lower) than the standard rate of corporation tax in the UK of 19% (52 week period ended 30 March 2019: 19%), as set out below:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
(Loss) / profit before taxation	**(1,053)**	319
(Loss) / profit before taxation multiplied by the standard rate of Corporation tax in the UK of 19% (30 March 2019: 19%)	**(200)**	61
Effects of:		
Expenses not deductible for tax purposes	**1,030**	1,261
Group relief claimed for nil payment	**(830)**	(1,322)
Total tax (note 4(a))	**-**	-

In the 2020 Budget, the UK Government announced its intention to reverse the planned rate reduction to 17% and to maintain the current rate of 19%, with this being substantively enacted on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

(c) Deferred tax

The company does not have any deferred tax assets or liabilities (30 March 2019: £nil).

5. INVESTMENTS

	Subsidiary undertakings £000
Cost and net book value:	
At 30 March 2019 and 28 March 2020	215

The company holds either directly or indirectly the entire issued share capital, which comprises solely ordinary share capital, for each of the following subsidiary undertakings, all of which are registered in England and Wales unless indicated. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Name of company	*Nature of business*
Arca Shipping Limited*	Holding company – address: Gunwharf Terminal, Gunwharf Road, Portsmouth, PO1 2LA
Wightlink Limited	Operation of ferry services to the Isle of Wight – address: Gunwharf Terminal, Gunwharf Road, Portsmouth, Hampshire, PO1 2LA
Wightlink (Guernsey) Limited**	Provision of seafarers to crew Wightlink vessels

*The investment in Arca Shipping Limited is held directly by the company, all others are held indirectly.

**Registered in Guernsey with the address: Granite House, La Grande Rue, St Martin, Guernsey, Channel Islands, GY1 3RS

6. DEBTORS

	28 March 2020 £000	30 March 2019 £000
Amounts owed by group undertakings	**311,164**	292,544
Prepayments and accrued income	-	155
Total debtors	**311,164**	292,699

Amounts owed by group undertakings include £285,989,000 which incurs interest at 9.25% (30 March 2019: £270,413,000 at 9.25%) and is repayable in 2044. This therefore represents debtors falling due after more than one year. The remaining amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Included within prepayments and accrued income is £nil (30 March 2019: £nil) which is due in more than one year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 March 2020 £000	30 March 2019 £000
Bank loans and overdrafts	**5,000**	-
Derivative financial instruments	**13,857**	5,242
Accruals and deferred income	**3,581**	382
	22,438	5,624

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

i) Bank loans and overdrafts	**28 March 2020 £000**	30 March 2019 £000
Loans are repayable:		
Between two and five years	**171,700**	170,000
	171,700	170,000
Loans are classified in the Statement of Financial Position as:		
Amounts falling due between two and five years	**171,700**	170,000
Up front arrangement fees	**(1,965)**	(2,441)
	169,735	167,559

Loans repayable between two and five years comprised amounts advanced under the company's term loan facility on 8 March 2019, repayable in full by 8 March 2024. The loan bears interest at floating rates based on LIBOR and is secured by fixed and floating charges over the assets of the company and its subsidiary undertakings. Under banking covenants, all of the company's assets and the assets of its subsidiary undertakings are pledged as security. Loan fees of £2,521,000 were incurred up front and amortised using the effective interest rate method through the term of the loan.

In order to fix the interest rate payable on this debt, the company entered into a number of interest rate swaps for a notional principal amount of £153,000,000 maturing in six month tranches until 2025. Under these swaps, the company receives interest on a variable basis and pays interest fixed at 1.60%.

ii) Amounts owed to group undertakings	28 March 2020 £000	30 March 2019 £000
Amounts owed to group undertakings are repayable:		
After more than five years	74,871	74,343

	28 March 2020 £000	30 March 2019 £000
Loans are classified in the Statement of Financial Position as:		
Amounts falling due after more than one year	74,871	74,343

Amounts owed to group undertakings incur interest at a rate of 9.25% per annum (30 March 2019: 9.25%). These amounts are repayable on 13 February 2044, unless repayment would result in the company becoming insolvent.

9. CALLED UP SHARE CAPITAL

	28 March 2020 No.	28 March 2020 £000	30 March 2019 No.	30 March 2019 £000
Authorised				
Ordinary shares of £1 each	**26,006,667**	**26,007**	26,006,667	26,007

	28 March 2020 No.	28 March 2020 £000	30 March 2019 No.	30 March 2019 £000
Allotted, called up and fully paid				
Ordinary shares of £1 each	**26,006,667**	**26,007**	26,006,667	26,007

Covenants

The financing arrangements to which the company and its subsidiary undertakings are a party contain various provisions intended to ensure that the lenders' right to receive interest and repayments of principal rank in priority to shareholders' rights to receive dividends on their shares.

Banking covenants place restrictions on the distribution of dividends and the repayment of capital.

10. CONTINGENT LIABILITIES

There are fixed and floating charges over the assets of the company and its subsidiary undertaking for the parties providing debt finance to the company. The company is a party to a guarantee in favour of those parties. The total amount outstanding under such guarantees at 28 March 2020 amounted to £176,700,000 (30 March 2019: £170,000,000).

11. RELATED PARTIES

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of Arca Topco Limited, whose financial statements are publicly available, as detailed in note 12.

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The share capital of the company is owned by Arca Midco Limited, a company registered in England and Wales which is the company's immediate parent and the smallest group into which the results are consolidated. The company's ultimate parent undertaking and the largest group into which the company is consolidated is Arca Topco Limited, a company registered and incorporated in England and Wales and a copy of the financial statements is available from Gunwharf Terminal, Gunwharf Road, Portsmouth, Hampshire, PO1 2LA.

At the start of the period, the directors considered the company's ultimate parent undertaking and ultimate controlling party to be Basalt Infrastructure Partners LLP, an English limited liability partnership (registered address: 4th Floor, 65 Curzon Street, London, United Kingdom, W1J 8PE.

On 28 May 2019, 50% of the share capital of Arca Topco Limited and 50% of the company's shareholder debt, was purchased by Eaglecrest Marine Bidco Limited. As a result, the directors do not consider that there is a controlling party above Arca Topco Limited from the date of this transaction.