

SMALS DREDGING UK LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016



Fletcher & Partners
Chartered Accountants
Salisbury

SMALS DREDGING UK LTD

COMPANY INFORMATION

Directors	P J Costigan (appointed 22 September 2015, resigned 31 March 2017) M R Smals (appointed 22 September 2015) Smals Dredging B.V. (appointed 22 September 2015) F Ben Amor (appointed 16 January 2017)
Registered number	09788917
Registered office	Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
Independent auditors	Fletcher & Partners Chartered Accountants & Statutory Auditors Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ

SMALS DREDGING UK LTD

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SMALS DREDGING UK LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the period ended 31 December 2016.

Principal activity

The principal activity of the company is the provision of specialised dredging services. The company was incorporated on 22 September 2015 and these financial statements cover the period from incorporation to 31 December 2016.

Directors

The directors who served during the period were:

P J Costigan (appointed 22 September 2015, resigned 31 March 2017)
M R Smals (appointed 22 September 2015)
Smals Dredging B.V. (appointed 22 September 2015)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SMALS DREDGING UK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

Auditors

The auditors, Fletcher & Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

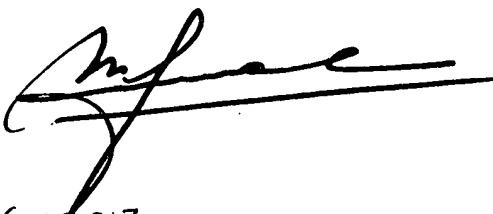
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M R Smals
Director

Date: 2-6-2017

A handwritten signature in black ink, appearing to read 'M R Smals', is written over a horizontal line.

SMALS DREDGING UK LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SMALS DREDGING UK LTD

We have audited the financial statements of Smals Dredging UK Ltd for the period ended 31 December 2016, set out on pages 5 to 9. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

SMALS DREDGING UK LTD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SMALS DREDGING UK LTD
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Paul A Proctor

P A Proctor (Senior Statutory Auditor)

for and on behalf of
Fletcher & Partners

Chartered Accountants
Statutory Auditors

Crown Chambers
Bridge Street
Salisbury
Wiltshire
SP1 2LZ

Date: 14 June 2017

SMALS DREDGING UK LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Note	2016 £
Turnover		1,432,065
Cost of sales		(492,355)
Gross profit		<u>939,710</u>
Distribution costs		(43,395)
Administrative expenses		(956,107)
Operating (loss)/profit		<u>(59,792)</u>
Interest payable and expenses	5	(3,060)
(Loss)/profit before tax		<u>(62,852)</u>
(Loss)/profit for the period		<u><u>(62,852)</u></u>
There was no other comprehensive income for 2016.		

SMALS DREDGING UK LTD
REGISTERED NUMBER: 09788917

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £
Current assets		
Debtors: amounts falling due within one year	6	448,780
Cash at bank and in hand	7	13,511
		<u>462,291</u>
Creditors: amounts falling due within one year	8	(325,143)
Net current assets		<u>137,148</u>
Total assets less current liabilities		<u>137,148</u>
Net assets		<u><u>137,148</u></u>
Capital and reserves		
Called up share capital		200,000
Profit and loss account		(62,852)
		<u>137,148</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

2-6-2017

M R Smals
 Director

The notes on pages 7 to 9 form part of these financial statements.

SMALS DREDGING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1. General information

Smals Dredging UK Ltd is a private company limited by shares, incorporated in England and Wales. Its registered office is Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SMALS DREDGING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

3. Fees payable to Auditor

Fees payable to the Company's auditor for the audit of the Company's annual financial statements - £2,000. Other fees payable in respect of other services - £10,375.

4. Employees

The average monthly number of employees, including directors, during the period was 1.

5. Interest payable and similar charges

	2016 £
Other loan interest payable	3,060
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	3,060
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SMALS DREDGING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

6. Debtors

	2016 £
Trade debtors	282,588
Other debtors	166,192
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	448,780
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7. Cash and cash equivalents

	2016 £
Cash at bank and in hand	13,511
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	13,511
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8. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	14,817
Amounts owed to group undertakings	302,955
Other taxation and social security	1,546
Accruals and deferred income	5,825
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	325,143
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9. Controlling party

The company is controlled by Smals Dredging B.V., registered office Keersluisweg 9, 5433 NM Cuijk, Netherlands. The smallest group for which consolidated accounts are prepared is Koninklijke Smals N.V., accounts may be obtained by writing to the registered office above,