Navigator Terminals Limited

Annual report and financial statements

for the year ended 31 March 2018

Registered Number 09879899

Navigator Terminals Limited

Annual report and financial statements

for the year ended 31 March 2018

Contents

Navigator Terminals Limited

Directors and advisers

Directors
R W Gisby
G D Rayner
A J Traeger
R Gadsby
J Mcphillimy
M D Brennan

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United Kingdom
RM20 3ED

Independent auditors
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Registered number
09879899

Navigator Terminals Limited

Strategic report for the year ended 31 March 2018

The directors present their strategic report of the company for the year ended 31 March 2018.

Review of business
The principal activity of the company during the financial period was that of a holding company and to provide finance to its investments. The company operates as an intermediate holding company of the Navigator Terminals group.

The group was formed through acquisition of Royal Vopak's UK storage assets on 31 March 2016 and the Greenergy terminal at North Tees on 8 April 2016. The group's principal activity is and will continue to be operation of bulk liquid storage facilities.

The company's profit for the financial period was £18,676,000 (2017: loss £24,636,000) due to dividend receipts offset by finance costs and impairment losses during the financial period Both the level of activity and period-end financial position were in line with expectations.

The directors proposed and paid an interim dividend of £5,000,000 (31 March 2017. Nil) during the financial period.

Net assets as at 31 March 2018 were £65,041,000 (2017: £51,365,000).

Going concern
The directors have reviewed the cash flow forecast. The company is dependent on its investments generating sufficient cashflows to settle the payments of interest and capital on the onward loan of the funding which the company raised. Taking into account reasonable possible risks the directors believe that the company will be able to settle its liabilities as they fall due for the foreseeable future. The directors continue to adopt the going concern basis for the preparation of the financial statements.

Future developments
This is the second financial period the Navigator Terminals group was in existence Going forward, the directors expect profit to be generated by the subsidiary undertakings and for the results to be stable for the foreseeable future, but these in turn are dependent upon the results of its operating subsidiary companies.

Key performance indicators
The key performance indication is that the company is able to service the funding requirements through interest and capital payments This is achieved through successful operation of its investments, and that its net cash flow is in line or better than forecast. The directors confirm that the company was able to meet all of its funding requirements during the period under review.

Principal risks and uncertainties

The management of the business and execution of the company's strategy is closely linked to that of its operating subsidiary companies. These businesses are subject to the following risk:

The key business risks continue to be the safe operating environment and the continued support of the group's customers. A high level of emphasis is placed on all safety aspects of the group's business. The attention to safety is closely aligned to customers' objectives in providing an efficient and safe environment for the handling and storage of their products Safety is a key area of focus with both a dedicated team and cross functional responsibilities across the group's terminals.

Financial risk management

Currency risk

The company is not exposed to significant currency risks.

Interest rate risk

The company has loan facilities for a total value of £187,500,000 repayable by 2023. As at 31 March 2018, £176,196,000 has been drawn of which £142,500,000 is subject to an interest rate swap which swaps the Libor element for a fixed interest rate of 1.7225%, and £17,500,000 is subject to an interest rate swap which swaps the Libor element for a fixed interest rate of 0.88%. The directors do not consider interest risk in relation to balance of £16,196,000 significant.

The company is not exposed to the consequences of variable interest rates on inter-group liabilities.

Credit risk

The company does not have any significant concentrations of credit risk Various corporate initiatives have been implemented to ensure early identification of possible exposure to customers who may be considered a credit risk.

Liquidity risk

The directors ensure adequate resources are available to meet the funding requirements of the company through forecasting and budgeting and ensuring support is available from fellow group undertakings.

Post balance sheet event

On 25 September 2018, the Company received final dividends of £24,692,000 from its subsidiary, in respect to the year ended 31 March 2018

The strategic report was approved by the Board of Directors and signed on its behalf by

Robin Gisby
Director
25 September 2018

Navigator Terminals Limited

Directors' report for the year ended 31 March 2018

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2018.

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

P S Antolik (Resigned 27 March 2018)
R W Gisby
G D Rayner
A J Traeger
E V G R Winter (Appointed 27 March 2018 and resigned 31 May 2018)
M A Woodeson (Resigned 27 March 2018)
Roderick Gadsby (Appointed 27 March 2018)
J Mcphillimy (Appointed 27 March 2018)
M D Brennan (Appointed 31 May 2018)

Directors' indemnities
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force during the financial period, and also as at the date of approval of these financial statements. The company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its directors.

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 period 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 101 "Reduced Disclosure Framework", 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 101, 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.

Statement of directors' responsibilities in respect of the financial statements (continued)

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.

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.

Disclosure of information to auditors
The directors at the date of approval of this report confirm that:

- so far as each of the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors have 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 auditors are aware of that information.

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

Going Concern

The financial statements have been prepared on a going concern basis subject to continued support of Navigator Terminals Midco Limited which has confirmed it will provide such financial support as is required for at least 12 months from the date of signing these financial statements Navigator Terminals Midco Ltd has issued a letter of support to that effect.

The directors have considered application of the going concern concept to the company's financial statements as disclosed in note 2 to the financial statements on page 12

Dividends, future developments and financial risk management
Please refer to the Strategic Report in relation to the above.

On behalf of the board

Robin Gisby
Director
25 September 2018

Independent auditors' report to the members of Navigator Terminals Limited

Report on the audit of the financial statements

Opinion

In our opinion, Navigator Terminals Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profits for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 31 March 2018; the Statement of comprehensive income, the Statement of changes in equity for the year 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 when:

- 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.

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.

Independent auditors' report to the members of Navigator Terminals Limited

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 year ended 31 March 2018 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.

Peter Latham

Peter Latham (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
25 September 2018

Navigator Terminals Limited

Statement of comprehensive income for the year end 31 March 2018

Registered No: 09879899

	Note		Year ended 31-Mar-18 £'000		Period 19-Nov-15 to 31-Mar-17 £'000
Revenue			**31,311**		-
Administrative expenses before exceptional item		**(15)**		(4,066)	
Exceptional administrative expenses - Impairment	5	**(1,767)**		-	
Administrative expenses			**(1,782)**		(4,066)
Operating profit / (loss) before exceptional item		**31,296**		(4,066)	
Exceptional item - Impairment		**(1,767)**		-	
Operating Profit / (loss)	5		**29,529**		(4,066)
Interest payable and similar expenses	6		**(12,067)**		(23,755)
Profit / (loss) before taxation			**17,462**		(27,821)
Tax on loss	7		**1,214**		3,185
Profit / (loss) for the financial period			**18,676**		(24,636)
Other comprehensive income			-		-
Total comprehensive profit / (loss) for the financial year / period			**18,676**		(24,636)

All of the company's activities relate to continuing activities.

Navigator Terminals Limited

Statement of financial position as at 31 March 2018

	Note	**31-Mar-18**	31-Mar-17
		£'000	£'000
Non-current assets			
Investments	8	**341,064**	342,831
		341,064	342,831
Current assets			
Debtors	9	**34,267**	13,421
Cash and cash equivalents		**3,413**	2,831
		37,680	16,252
Creditors: amounts falling due within one year	10	**(135,636)**	(134,040)
Derivative financial instruments	12	**(324)**	(738)
Net current liabilities		**(98,281)**	(118,526)
Total assets less current liabilities		**242,783**	224,305
Creditors. amounts falling due after more than one year	11	**(175,153)**	(165,739)
Derivative financial Instruments	12	**(2,590)**	(7,201)
Net assets		**65,041**	51,365
Capital and reserves			
Called up share capital	13	**64,370**	64,370
Share premium account	14	**11,631**	11,631
Accumulated losses		**(10,960)**	(24,636)
Total shareholders' funds		**65,041**	51,365

The financial statements on pages 8 to 21 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes were approved by the board of directors on 25 September 2018 and were signed on its behalf by.

Robin Gisby
Director
25 September 2018

Navigator Terminals Limited

Statement of changes in equity for the year ended 31 March 2018

	Called up share capital	Share premium account	Accumulated losses	Total shareholders' funds
	£'000	£'000	£'000	£'000
On incorporation	-	-	-	-
Changes in equity				
Total comprehensive loss for the financial period	-	-	(24,636)	(24,636)
Issue of ordinary shares	64,370	11,631	-	76,001
Total transactions with owners recognised directly in equity	64,370	11,631	-	76,001
At 31 March 2017	64,370	11,631	(24,636)	51,365
At 1 April 2017	64,370	11,631	(24,636)	(24,636)
Total comprehensive profit for the financial year / period	-	-	18,676	18,676
Distributions	-	-	(5,000)	(5,000)
Total transactions with owners recognised directly in equity	-	-	(5,000)	(5,000)
At 31 March 2018	**64,370**	**11,631**	**(10,960)**	**65,041**

Navigator Terminals Limited

Notes to the financial statements for the year ended 31 March 2018

1 General information

The principal activity of the company during the period was that of a holding company, and is expected to remain so for the foreseeable future. The company is a wholly owned subsidiary of Navigator Terminals Midco Limited, and is a limited liability company incorporated and domiciled in the UK. The address of its registered office is Oliver Road, West Thurrock, Grays, Essex, United Kingdom, RM20 3ED

2 Summary of significant accounting policies

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006 as applicable to companies using FRS 101 The financial statements have been prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year end 31 March 2018 These policies have been consistently applied to all the periods presented unless otherwise stated. The company's financial statements are presented in Sterling, and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated

Judgements and key sources of estimation uncertainty
In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of investments
Determining whether the company's investments have been impaired requires estimation of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

2 Summary of significant accounting policies (continued)

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year end 31 March 2018

The company is a member of the Navigator Terminals group of companies (see Note 13), and has taken advantage of the following disclosure exemptions available under FRS 101, on the basis that the ultimate parent undertaking has included them within its own published consolidated financial statements.

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
(c) the requirements of IAS 7 Statement of Cash Flows;
(d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
(f) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets, and
(g) Paragraph 17 of IAS 24 'Related party disclosures (key management compensation).

Preparation of consolidated financial statements

The financial statements contain information about Navigator Terminals Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly-owned subsidiary of Navigator Terminals Holdings Limited, and is included in its consolidated financial statements, which are publicly available.

Going concern

These financial statements were prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future, i.e. for a period of not less than 12 months from the date of signing the financial statements. Navigator Midco Limited has confirmed that it will continue to support the Company to enable it to meet its liabilities for a period of at least 12 months from the date of signing these financial statements, and will not require repayment of the intercompany balance due within that period unless the Company has sufficient funds to do so

Investments

Investments are stated at cost less provision for any impairment in value

Impairments

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

2 Summary of significant accounting policies (continued)

Impairments (continued)
Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Debtors
Debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through the income statement when there is objective evidence that the company will not be able to recover balances in full Balances are written off when the probability of recovery is assessed as being remote

Creditors
Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, measured initially at fair value, net of transaction costs, and are measured subsequently at the amortised cost using the effective interest rate.

Loans payable
Loans are recorded at the proceeds received Finance charges, including premium payable on settlement are accounted for on an accrual basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled.

Derivative instruments and hedging
The company used derivative financial instruments in the form of interest rate swaps to reduce its exposure to interest rate fluctuations on the company's floating rate bank loan. The company has determined that its interest rate swaps do not qualify for hedge accounting under FRS 101. Accordingly, the ineffective portion of the interest rate swap is recognised within the Statement of comprehensive income.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently measured at fair value.

Derivatives are carried as assets when the fair value is positive and liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cashflows based on observable yield curves.

Taxation
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions

Notes to the financial statements for the year ended 31 March 2018 (continued)

2 Summary of significant accounting policies (continued)

Taxation (continued)

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Revenue
Revenue comprise of dividend income from investments which is recognised when the shareholders' right to receive payment has been established

Dividends payable
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders and they are committed to making the payment. Interim dividends are recognised upon payment.

Share capital
Ordinary shares are classified as equity.

3 Staff costs

The company has no employees, and hence there were no staff or staff costs for the year end 31 March 2018.

4 Directors emoluments

The directors do not receive any remuneration from the company During the financial period there was no recharge between the companies. As of 31 March 2016, the directors no longer accrue benefits under the group defined benefit pension scheme.

5 Operating loss

The Directors received no salary, fees or other benefits from the company in the performance of their duties in respect of their services to the company for the year end 31 March 2018

The company incurred impairment losses of £1,767,000 in connection with the impairment in value of Navigator Terminals North Tees Limited

Fees payable to the company's auditors for the audit of the company's financial statements are borne by a fellow group undertaking

6 Interest receivable / payable and similar income / expenses

	Year ended 31-Mar-18	Period 19-Nov-15 to 31-Mar-17
	£'000	£'000
Interest and charges payable on bank loans	**6,142**	7,051
Amortisation of arrangement fees	**1,559**	(550)
Interest payable on loans from group undertakings	**9,391**	9,315
Fair value (gain) / loss on derivative financial instrument (note 11)	**(5,025)**	7,939
	12,067	23,755

7 Tax on loss

Tax credit for the period:	**Year ended 31-Mar-18 £'000**	Period 19-Nov-15 to 31-Mar-17 £'000
Corporation tax on loss for the period	**(1,214)**	(3,185)
Tax credit on loss	**(1,214)**	(3,185)

Reconciliation of total tax credit for the current period
The total tax credit for the period is lower than (2017: lower) the standard rate of corporation tax in the UK of 19% (2017:20%).
The differences are explained below

	Year ended 31-Mar-18 £'000	Period 19-Nov-15 to 31-Mar-17 £'000
Profit / (loss) before taxation	**17,462**	(27,821)
Profit multiplied by the standard rate in the UK 19% (2017.20%)	**3,548**	(5,564)
Effects of:		
Expenses not deductible for tax purposes	**6,107**	791
Fair value loss on derivative financial instrument	-	1,588
Non-taxable income	**(8,745)**	
Adjustments in respect of prior years	**(652)**	-
Unrelieved tax losses	**956**	-
Tax credit on loss	**(1,214)**	(3,185)

There is no deferred tax, provided or unprovided.

Factors affecting current and future tax

The Finance (No. 2) Act was substantively enacted on 26 October 2015. This Act included provisions reducing the main rate of UK corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020.

It was announced at the 2016 Budget that the rate of UK corporation tax will reduce to 17% effective from 1 April 2020, instead of the previously enacted rate of 18% effective from that date. This change was enacted in the Finance Act 2016 on 15 September 2016.

8 Investments

	Year ended 31-Mar-18
Cost	**£'000**
At 1 April 2017	342,831
Impairment	(1,767)
At 31 March 2018	**341,064**
Net book value	
At 31 March 2018	**341,064**

A list of investments in subsidiary undertakings, including name, and proportion of ownership interest, is noted below. All subsidiaries are incorporated in England and Wales unless otherwise stated.

Navigator Terminals North Tees Limited	Tank storage	100% ordinary
Navigator Terminals UK Limited	Holding company	100% ordinary
*Navigator Terminals Thames Limited B.V. (incorporated in the Netherlands)	Tank storage	100% ordinary
*Navigator Terminals Windmill Limited	Tank storage	100% ordinary
*Navigator Terminals Seal Sands Limited	Tank storage	100% ordinary

All holdings above are directly held by company unless marked with an asterisk

The proportion of the voting rights does not differ from the proportion of the ordinary shares held.

The directors believe that the carrying value of these investments is supported by their underlying net assets and future expected cashflows.

The registered office address of all subsidiaries is Oliver Road, West Thurrock, Grays, Essex, United Kingdom, RM20 3ED

9 Debtors

	31-Mar-18 £'000	31-Mar-17 £'000
Amounts owed by group undertakings	**34,267**	10,113
Prepayments	-	3,308
	34,267	13,421

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	31-Mar 18 £'000	31-Mar 17 £'000
Amounts owed to group undertakings	**135,582**	134,005
Accruals	**54**	35
	135,636	134,040

Of the amounts owed to group undertakings, £128,354,911 is unsecured, bears interest at 7.30% and is payable on demand An amount of £4,747,892 is accrued interest, and £3,354,000 is unsecured, interest free and repayable on demand

11 Creditors: amounts falling due after more than one year

	31-Mar 18 £'000	31-Mar 17 £'000
Bank borrowings	**176,916**	165,739
Amortised loan arrangement fee	**(1,763)**	-
	175,153	165,739

11 Creditors: amounts falling due after more than one year (continued)

An analysis of the maturity of the bank loan is given below:

Repayment schedule of bank loan	31-Mar 18 £'000	31-Mar 17 £'000
Repayable within five years	-	-
Repayable after five years	**175,153**	165,739
	175,153	165,739

Bank borrowings relate to loan facilities granted by the bank for a total value of £187,500,000. As at 31 March 2018, £176,196,000 has been drawn. There is an amount netted off in the balance of £1,763,000 for the amortisation of prepaid arrangement fee.

The loan facility is repayable by 2023. Interest is charged on amounts drawn under the facilities based on a margin plus Libor The margin during the financial period was 1.9%, which increases to 2.5% in 2021 and 3.5% in 2022 Facility amounts not drawn are subject to a commitment fee which is calculated as 35% of the applicable margin, which was 0 665% of the undrawn amount during the financial period. Of the facility amount currently drawn, £142,500,000 is subject to an interest rate swap which swaps the Libor element for a fixed interest rate of 1.7225%, and £17,500,000 is subject to an interest rate swap which swaps the Libor element for a fixed interest rate of 0.88%.

The facilities are secured by fixed and floating charges over all property of the group.

12 Derivative financial Instruments

	31-Mar-18 £'000	31-Mar-17 £'000
Fair value loss on interest swap	**2,914**	7,939

	31-Mar-18 £'000	31-Mar-17 £'000
Amounts falling due within one year (note 9)	**324**	738
Amounts falling due later than one year	**2,590**	7,201
	2,914	7,939

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The interest rate swap was entered to convert the floating rate, which is three months LIBOR to fixed rates of *1.7225% in relation to the notional principal amount of £142,500,000 and 0.88% in relation to the notional* principal amount of £17,500. The company settles the difference between the fixed and floating interest rate on a net basis.

The fair value of the swap at 31 March 2018 was a liability of £2,914,000 Net gains of of £5,025,000 were recognised in the Statement of comprehensive income.

13 Called up share capital

Allotted and fully paid	**31-Mar 18 £'000**	31-Mar 17 £'000
64,370,281 (2017:64,370,281) ordinary shares of £1 each	64,370	64,370

14 Share premium account

	31-Mar 18 £'000	31-Mar 17 £'000
Premium arising on issue of equity shares	**11,631**	11,631

15 Post balance sheet event

On 25 September 2018, the Company received final dividends of £24,692,000 from its subsidiary, in respect to the year ended 31 March 2018.

16 Ultimate and immediate parent undertakings

The directors regard Navigator Terminals Midco Limited, a company incorporated in England and Wales as the immediate parent undertaking, and Navigator Terminals Holdings Limited, a company registered in Jersey, as the ultimate parent undertaking and controlling party.

Copies of the consolidated financial statements of Navigator Terminals Holdings Limited (the smallest and largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the registered address, 1st Floor, Waterloo House, Don Street, St Helier, Jersey, JE1 1AD.

Copies of the consolidated financial statements of Navigator Terminals Holdings Limited have also been filed at and are available from the Registrar of Companies (England and Wales).

Navigator Terminals Holdings Limited

Annual report and consolidated financial statements

For the year ended 31 March 2018

Contents

The directors present their strategic report of the group for the financial year ended 31 March 2018.

Principal activities
The principal activity of the Group is and will continue to be operation of bulk liquid storage facilities. The Group stores mainly gasoline and diesel for road transport use as well as chemicals, oil, biofuel and gas.

Navigator Terminals is the UK's largest independent bulk liquid storage provider with approximately 1.2 million cubic metres of storage (2017: approximately 1.5 million cubic metres of storage). The prior year storage capacity included underground storage caverns in North Tees of approximately 0.3 million cubic metres which have now reached the end of their useful economic life. Navigator Terminals is investing in additional storage capacity in North Tees, which is planned to increase the Group's storage capacity to approximately 1.3 million cubic metres in 2020.

Review of business
The Group generated an operating profit before exceptional items for the financial period of £18,327,000 (2017: £13,053,000) on revenues of £65,020,000 (2017: £66,711,000). The prior period included one off acquisition fees of £3,955,000.

A fair value review was conducted during the period to test for impairment in the goodwill recognised as part of the Navigator acquisition in 2016. The recoverable amount of goodwill compares the 'carrying value' to the 'value in use' calculations, which requires an estimate of the present value of future cash flows and underlying assumptions. As a result of this review, an impairment charge for the North Tees business unit of £29,764,000 was recognised. The impairment charge arose in the North Tees terminal due to a reduction in crude storage capacity arising from underground caverns reaching the end of their useful economic lives in December 2017. The business intends to partly replace this volume by converting additional tanks at the site for crude storage. In addition, the crude oil market has moved into backwardation during the past year, which affects the North Tees terminal as the only site to store crude oil. This backwardation has inflated current crude oil prices and thus reduced the demand for crude oil storage in the short-term, which has coincided with contract renewal at the site. It is anticipated that the crude market will return to contango in later years, as has typically occurred in the past, thus resulting in increased demand for crude storage. The impairment charge has been classified as an exceptional non-cash item. The value in use calculations of all other business units demonstrated significant headroom above the carrying value of goodwill.

Finance expenses were £12,007,000 (2017: £24,519,000), which included a gain on an unrealised mark to market valuation of the interest swap of £5,025,000 (2017: Loss of £7,939,000) (note 17).

The overall results of the Group show a loss for the financial period of £20,790,000 (2017: £9,193,000) due to the exceptional non-cash impairment charge.

The directors did not propose payment of a dividend during the financial period.
Net assets at 31 March 2018 were £69,040,000 (2017: £84,862,000) with net current liabilities of £6,475,000 (2017: £4,995,000).

Bulk liquid storage is essential to the UK economy, providing an essential interface between sea, road, rail and pipelines. Trade flows are becoming increasingly global with low-cost production sited away from regions of highest consumption. Storage capacity is therefore expanding to meet rising demand.

Future developments
The directors expect profit to be generated by the subsidiary undertakings and for the results to be stable for the foreseeable future, but these in turn are dependent upon the results of its operating subsidiary companies.

Key performance indicators
Customers enter into long-term contracts for exclusive use of the tanks with a core level of throughput (effectively take or pay contracts). The pricing increases annually due to the contracted inflationary uplifts. The operating cost base may be considered relatively fixed given that most elements are not subject to throughput-based variance. Consequently, the directors are of the opinion that analysis using KPIs other than revenues and profitability is not necessary for an understanding of the development, performance or position of the business. The management team monitors compliance with loan covenants quarterly and reviews forecast cashflow monthly. The management team takes a 'Safety First' approach to the business and pays particular attention to safety-related key performance indicators. These are reviewed for continuous improvement and reported to the Board on a regular basis.

Principal risks and uncertainties
The key business risks are continuing to operate a safe working environment and the continued support of our customers. A high level of emphasis is placed on all safety aspects of the business with focus internally, divisionally and from a corporate perspective with a dedicated team and cross functional responsibilities across the terminals. The attention to safety is closely aligned to our customers' objectives in providing a safe and efficient environment for the handling and storage of their products.

Financial risk management
The economic developments of all companies' within the Group are monitored on a regular basis and the consequences of potential risks are analysed.

Our financial risks are described in detail in note 3 to the Consolidated financial statements.

Capital management
Navigator Terminals is a capital-intensive group. The financing policy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the current and future investment programs.

A solid capital structure supports the Group's objective to create long-term shareholder value while meeting the agreed covenants and other requirements with its other capital providers. Navigator Terminals Group aims to maintain a healthy financial position through capital-disciplined investment decisions, effective working capital management, long-term funding and a balanced dividend policy. It is continuously reviewing its capital structure options, including but not limited to equity or other capital instruments, to effectively finance the business.

The strategic report was approved by the Board of Directors and signed on its behalf by

R W Gisby
Director
25 September 2018

The directors present their annual report and the audited consolidated financial statements of the group for the year ended 31 March 2018.

Directors

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

P S Antolik (Resigned 27 March 2018)
R W Gisby
G D Rayner
A J Traeger
E V G R Winter (Appointed 27 March 2018 and resigned 31 July 2018)
M A Woodeson (Resigned 27 March 2018)
Roderick Gadsby (Appointed 27 March 2018)
J Mcphillimy (Appointed 27 March 2018)

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 period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. 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 of the profit or loss of the group 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 101, 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Jersey Law 1991.

The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm so far as each director is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken in his/her duty as a director in order to make himself/herself 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, were appointed during the period and have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next annual general meeting.

Dividends, future developments and Financial risk management

Please refer to the Strategic Report for the above.

On behalf of the board

R W Gisby
Director
25 September 2018

Independent auditors' report to the members of Navigator Terminals Holdings Limited

Report on the audit of the group financial statements

Opinion

In our opinion, Navigator Terminals Holdings Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 March 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual report"), which comprise: the Consolidated statement of financial position as at 31 march 2018; the Consolidated income statement, the Consolidated statement of other comprehensive income, the Consolidated statement of cash flow, the Consolidated statement of changes in equity for the year then ended; and the 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 group 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 when:

- 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 group'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 group'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 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.

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 5, 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 group'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 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 Financial Reporting Council'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 Article 113A of the Companies (Jersey) Law 1991 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 (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 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. We have no exceptions to report arising from this responsibility.

Peter Latham

Peter Latham
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Gatwick
25 September 2018

Navigator Terminals Holdings Limited

Consolidated income statement
For the year ended 31 March 2018

	Note	31 March 2018 £'000	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000	12 November 2015 to 31 March 2017 £'000
Revenue	4		65,020		66,711
Administrative expenses before exceptional item	5	(46,693)		(53,658)	
Exceptional administrative expenses - Impairment	5	(29,764)		-	
Administrative expenses	5		(76,457)		(53,658)
Operating profit before exceptional items		18,327		13,053	
Exceptional items - Impairment		(29,764)		-	
Operating (loss) /profit			(11,437)		13,053
Finance expense	7		(12,007)		(24,519)
Loss before tax			(23,444)		(11,466)
Tax credit	8		2,654		2,273
Loss for the period			(20,790)		(9,193)
Loss for the period attributable to Owners of the parent			(20,790)		(9,193)

The notes on pages 16 to 46 are integral part of these consolidated financial statements.

Navigator Terminals Holdings Limited

Consolidated statement of other comprehensive income
For the year ended 31 March 2018

	Note	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Loss for the financial period		(20,790)	(9,193)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension schemes	20	12,388	(6,191)
Tax relating to items that will not be reclassified	16	(2,420)	1,052
Other comprehensive income / (expense) for the year		9,968	(5,139)
Total comprehensive expense for the period		(10,822)	(14,332)
Total comprehensive expense for the period attributable to Owners of the parent		(10,822)	(14,332)

The notes on pages 16 to 46 are integral part of these consolidated financial statements

Navigator Terminals Holdings Limited

Consolidated statement of financial position
As at 31 March 2018

	Note	31 March 2018 £'000	31 March 2017 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	289,159	286,062
Intangible assets	10	100,557	128,327
		389,716	414,389
Assets			
Current assets			
Trade and other receivables	13	8,856	13,005
Cash and cash equivalents		12,674	13,962
		21,530	26,967
Non-current assets			
Pensions	20	8,990	-
		30,520	26,967
Total assets		420,236	441,356
Liabilities			
Non-current liabilities			
Interest bearing loans	15	303,508	294,094
Pensions	20	-	4,305
Derivative financial instruments	17	2,590	7,201
Deferred tax liabilities (net)	16	17,093	18,932
		323,191	324,532
Current liabilities			
Trade and other payables	14	27,681	31,224
Derivative financial instruments	17	324	738
		28,005	31,962
Total liabilities		351,196	356,494
NET ASSETS		69,040	84,862
Equity attributable to owners of the parent			
Share capital	18	64,370	64,370
Share premium	18	11,631	11,631
Acquisition reserve	18	23,193	23,193
Accumulated losses		(30,154)	(14,332)
TOTAL EQUITY		69,040	84,862

The financial statements on pages 10 to 46 were approved and authorised for issue by the Board of Directors on 26 September 2018 and were signed on its behalf by

R W Gisby
Director

Navigator Terminals Holdings Limited

Consolidated statement of cash flows
For the year ended 31 March 2018

	Note	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Cash flows from operating activities			
Loss for the financial period		(20,790)	(9,193)
Adjustments for:			
Depreciation of property, plant and equipment	9	10,497	10,644
Amortisation of intangible fixed assets	10	1,791	2,186
Finance expense	7	12,007	24,519
Impairment losses		29,764	-
Income tax credit	8	(2,654)	(2,273)
		30,615	25,883
Decrease / (Increase) in trade and other receivables		3,756	(3,649)
(Decrease) / Increase in trade and other payables		(10,142)	4,846
(Decrease) / Increase in provisions and employee benefits		(1,907)	660
Cash generated from operations		22,320	27,740
Income taxes paid		(632)	-
Net cash flows generated from operating activities		21,688	27,740

Navigator Terminals Holdings Limited

Consolidated statement of cash flows
For the year ended 31 March 2018 *(continued)*

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Net cash flows from operating activities brought forward	21,688	27,740
Cash flows from investing activities		
Acquisition of subsidiaries	-	(291,260)
Purchases of property, plant and equipment	(18,265)	(29,628)
Net cash used in investing activities	(18,265)	(320,888)
Cash flows from financing activities		
Issue of ordinary shares	-	51,678
Proceeds from bank borrowings	10,973	165,739
Proceeds from issue of loan notes	-	103,047
Proceeds from the bridging loan	-	8,000
Repayment of bridging loan	-	(8,000)
Interest paid on bank borrowings	(6,147)	(6,501)
Interest paid on loan notes	(4,537)	(6,853)
Dividends paid to the holders of parent	(5,000)	-
Net cash from financing activities	(4,711)	307,110
Net (decrease)/increase in cash and cash equivalents	(1,288)	13,962
Cash and cash equivalents at beginning of the financial period	13,962	-
Cash and cash equivalents at the end of the financial period	12,674	13,962

Navigator Terminals Holdings Limited

Consolidated statement of changes in equity
For the year ended 31 March 2018

	Share capital £'000	Share premium £'000	Acquisition reserve £'000	Accumulated losses £'000	Total equity £'000
Comprehensive expense for the period					
Loss for the period	-	-	-	(9,193)	(9,193)
Other comprehensive expense for the period	-	-	-	(5,139)	(5,139)
Total comprehensive expense for the period	-	-	-	(14,332)	(14,332)
Contributions by and distributions to owners					
Issue of share capital	64,370	11,631	23,193	-	99,194
Total contributions by and distributions to owners	64,370	11,631	23,193	-	99,194
At 31 March 2017	64,370	11,631	23,193	(14,332)	84,862
At 1 April 2017	64,370	11,631	23,193	(14,332)	84,862
Comprehensive (expense)/income for the period					
Loss for the period	-	-	-	(20,790)	(20,790)
Other comprehensive income for the period	-	-	-	9,968	9,968
Total comprehensive expense for the period	-	-	-	(10,822)	(10,822)
Total contributions by and distributions to owners	-	-	-	(5,000)	(5,000)
At 31 March 2018	64,370	11,631	23,193	(30,154)	69,040

1. General Information

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 22.

The consolidated financial statements are presented in sterling, which is also the group's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and with the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments - fair value through profit or loss
- Revalued property, plant and equipment
- Intangible assets
- Defined benefit pension plan

Going concern

The group meets its day-to-day working capital requirements through its bank facilities. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. Having assessed the principal risks and the other matters, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements. Further information on the group's borrowings is given in note 16.

Changes in accounting policies

There were no new standards, amendments or interpretations effective for the first time for the financial period beginning on or after 1 April 2017 that had a significant effect on the group's financial statements.

1. General Information (continued)

New standards, interpretations and amendments issued but not yet effective

Standards issued and not yet effective up to the date of issuance of the group's financial statements are listed below. This listing is of standards and interpretations issued, which the group reasonably expects to be applicable at a future date. The group intends to adopt these standards when they become effective. The group does not currently anticipate the standards to have a significant impact on the Group's financial statements, however this will remain under consideration in light of interpretation notes as and when they are issued.

- IFRS 16 Leases (1 January 2019)
- IFRS 9 Financial Instruments (issued on 24 July 2014) (1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (1 January 2018)
- Clarifications to IFRS 15 Revenue from Contracts with Customers (Apr 2016) (1 January 2018)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (1 January 2017)
- Amendments to IAS 7: Disclosure Initiative (1 January 2017)

2. Critical accounting estimates and judgements

The group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 discussed below.

- *Fair value measurement*

  A number of assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.

  The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- *Level 1*: Quoted prices in active markets for identical items (unadjusted)

- *Level 2*: Observable direct or indirect inputs other than Level 1 inputs

- *Level 3*: Unobservable inputs (i.e. not derived from market data).

  The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

2. Critical accounting estimates and judgements (continued)

- *Fair value measurement (continued)*

  The group measures a number of items at fair value.
- Assets acquired as part of a business combination (notes 9,10,13)

  For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

- *Defined benefit scheme*- actuarial assumptions (see note 20 - Pensions)

3. Financial risk management

Financial risks are identified by the Board and risk management policies are discussed.

The areas involving the most significant financial risks are trade and other receivables and liquidity risks. The group does not consider exposure to foreign currency exchange risk significant.

The group has bank loan facilities for a total value of £187,500,000 repayable by 2023. As at 31 March 2018, £176,196,000 has been drawn of which £142,500,000 is subject to an interest rate swap which swaps the LIBOR element for a fixed interest rate of 1.7225%, and £17,500,000 is subject to an interest rate swap which swaps the LIBOR element for a fixed interest rate of 0.88%. The directors do not consider interest risk in relation to balance of £16,196,000 significant.

The group's credit risk arises primarily from trade and other receivables. The maximum exposure to these risks is the carrying amount of these financial assets amounting to £30,520,000 at 31 March 2018 (2017: 26,967,000). The group constantly monitors the outstanding receivables. As of 31 March 2018, there were four specific provisions totaling £29,000 and the Board did not consider any other general provision necessary.

The primary objective of liquidity management is providing sufficient cash and cash equivalents at all times to enable the group to meet its payment obligations. The liquidity requirements are monitored constantly and funding is planned in such a way as to avoid excessive short-term financing needs. Active cash management is a daily responsibility. The long-term liquidity risk is assessed prior to every major capital commitment and the current financing policy is reviewed on the basis of this assessment and reviewed where necessary.

Foreign exchange rates differences are recognised in the Consolidated income statement in the periods in which they arise.

Finance costs consist primarily of interest on loans drawn. Interest expenses are recognised in the periods to which they relate, taking into account effective interest rate.

4. Revenue

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Crude oils	7,199	9,098
Chemical	13,765	13,666
Petroleum	35,097	35,458
Biofuels	3,859	2,419
Other	5,100	6,070
	65,020	66,711

Revenue represents the amounts derived from the supply of tank storage and other services, less discounts and is stated net of value added tax.
The majority of the income relates to the provision of storage. This is recognised in the relevant period that the storage is provided. Other services such as overtime and handling are recognised as the service is provided to the customer.

The entire revenue is earned within the UK.

5. Administrative expenses

		31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Depreciation of property, plant and equipment		10,497	10,644
Amortisation of intangible assets		1,791	2,186
Costs in connection with the acquisition		-	3,955
Operating lease expense:			
- Plant and machinery		55	44
- Property		739	722
Compensation for loss of office		404	209
Fees payable for the audit of parent company and consolidated financial statements		11	11
Fees payable for other services		-	-
Audit of the subsidiaries		169	168
Exceptional items: Impairment of goodwill	11	29,764	-
Profit/loss on disposal of property, plant & equipment		77	-

6. Employee benefit expenses

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	9,758	8,443
Defined contribution pension cost	1,854	491
Defined benefit scheme cost (note 20)	-	864
Other long-term employee benefits	-	66
Social security contributions and similar taxes	1,165	1,062
	12,777	10,926

Key management personnel compensation

Key management is composed of the directors of subsidiary companies. The compensation paid or payable to key management of the group for employee services is shown below.

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Salary	345	302
Other long-term benefits	2	3
Defined benefit scheme costs	20	9
Compensations for loss of office	-	209
	367	523

The average monthly number of persons (including directors) employed by the group during the period was:

By activity	31 March 2018 Number	12 November 2015 to 31 March 2017 Number
Administration	95	80
Operations	107	123
Total average headcount	202	203

7. Finance income and expense

Recognised in profit or loss

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Finance expense		
Loan interest	15,378	16,211
(Gain) / Loss on interest rate swap (note 17)	(5,025)	7,939
Amortisation of arrangement fees	1,559	(550)
Loss on the currency forward contract	-	919
Net pension finance costs	95	-
Total finance expense recognised in profit or loss	12,007	24,519

The interest rate swap was set up to exchange the floating rate, which is three months LIBOR for fixed rates of 1.7225% and 0.88%. The group settles the difference between the fixed and floating interest rate on a net basis.

The fair value of these financial instruments at 31 March 2018 was a liability of £2,914,000 (2017 : £7,939,000) . Net gains of £5,025,000 were recognised in the consolidated income statement.

8. Tax credit

The Group's loss for this financial period is taxed at an effective rate of 19%.

It was announced at the 2016 Budget that the rate of UK corporation tax will reduce to 17% effective from 1 April 2020. This change was enacted in the Finance Act 2016 on 15 September 2016 and so the rate of 17% has been used to measure deferred tax balance in these financial statements.

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Analysis of charge in the period		
Current tax:		
Current tax on loss for the period	1,605	(3,963)
Total current tax	1,605	(3,963)
Deferred tax:		
Origination and reversal of temporary differences	(4,259)	1,690
Total deferred tax	(4,259)	1,690
Total tax credit	(2,654)	(2,273)

Factors affecting tax charge for the period

	31 March 2018 £'000	12 November 2015 to 31 March 2017 £'000
Loss before tax for the year	(23,444)	(11,466)
Loss before tax activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	(4,454)	(2,293)
Effect of		
Expenses not deductible for tax purposes	1,800	20
Total tax credit	(2,654)	(2,273)

9. Property, plant and equipment

	Land and buildings	Plant, machinery and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2017	131,067	155,621	10,018	296,706
Additions	-	1,344	16,921	18,265
Transfers	-	19,421	(19,421)	-
Disposals	-	(867)	-	(867)
At 31 March 2018	131,067	175,519	7,518	314,104
Accumulated depreciation and impairment				
At 1 April 2017	1,687	8,957	-	10,644
Expensed in the financial period	1,908	8,589	-	10,497
Impairment	-	3,812	-	3,812
Disposals	-	(8)	-	(8)
At 31 March 2017	3,595	21,350	-	24,945
Net book value				
At 31 March 2018	127,472	156,759	4,928	289,159
At 31 March 2017	129,380	146,664	10,018	286,062

The impairment relates to value in use (Note 11) and assets that are not currently in use.

9. Property, plant and equipment *(continued)*

Fair value measurement

Property, plant and equipment were valued on 31 March 2016 by external independent qualified valuers using the following approaches also presented in the table below.

1. Cost approach: A depreciated replacement cost (DRC) that broadly considers total life, remaining useful life, replacement cost, residual value and any obsolescence. Cost approach was adopted for certain assets (notably buildings and tanks) where use of an alternative a market or income approach could double count the value of intangible assets, such as customer contracts, which are separately identified, analysed and disclosed.

2. Income approach: An income approach determined by considering the net present value of future cash flows generated by the asset. Most of the assets do not independently generate cash flows and this makes an income approach less viable.

3. Market approach: Benchmarking value by considering comparable evidence of other sales of similar assets. Due to the specific and unique nature of many of the assets, the valuers were precluded from adopting a market approach because there are insufficient transactions involving similar assets from which data can be publicly sourced. However, this approach was used in respect of valuing cars and land.

The different levels have been defined as follows:

Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Description		Approach	
Buildings	Cost	Direct	Level 2
Cars	Market	N/A	Level 1
Communications equipment	Cost	Indirect	Level 3
Infrastructure	Cost	Direct	Level 2
IT	Cost	Indirect	Level 3
IT servicing	Cost	Indirect	Level 3
Jetties	Cost	Direct	Level 2
Land	Market	N/A	Level 1
Office	Cost	Indirect	Level 3
Pipelines	Cost	Direct	Level 2
Process	Cost	Indirect	Level 3
Pumps	Cost	Indirect	Level 3
Road loading	Cost	Indirect	Level 3
SHE	Cost	Indirect	Level 3
Software	Cost	Indirect	Level 3
Tanks	Cost	Direct	Level 2
Valves	Cost	Indirect	Level 3
Utilities	Cost	Indirect	Level 3

10. Intangible assets

	Purchased goodwill	Customer relationships	Software	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2017	58,123	71,200	1,190	130,513
At 31 March 2018	58,123	71,200	1,190	130,513
Accumulated amortisation and impairment				
At 1 April 2017	-	2,071	115	2,186
Amortisation	-	1,700	91	1,791
Impairment charge	13,119	12,600	260	25,979
At 31 March 2018	13,119	16,371	466	29,956
Net book value				
At 31 March 2018	45,004	54,829	724	100,557
At 31 March 2017	58,123	69,129	1,075	128,327

Fair value measurement

Intangible assets were identified and valued on 31 March 2016 by external independent qualified valuers using multi-period excess earnings method (MEEM) approach in relation to customer contracts (Level 3) and depreciated replacement cost in relation to software (Level 3).

Under the MEEM, the fair value of the intangible asset reflects the present value of the projected stream of cash flows that will be generated by the asset (e.g. contracts/ relationships) over its life. The value of an intangible asset is estimated by discounting the after-tax operating earnings associated with the asset (e.g. relationship) after fair returns (or 'contributory asset charges' ('CACs')) on all other assets employed have been deducted.

The cost approach is based on the premise that a prudent investor would pay no more for an asset than its replacement or reproduction cost. This approach is sometimes used when data is available to estimate the cost that might be incurred to recreate an asset with similar attributes at current prices. This cost is then adjusted for any physical or economic obsolescence associated with the subject asset.

11. Goodwill and impairment

Management reviews the business performance on the basis of each cash generating unit (CGU). It has currently identified each terminal as a CGU. Goodwill is monitored by the Management at CGU level.

The recoverable amount of all CGUs has been determined based upon value-in-use calculations. These calculations use pre-tax cash flow projections based upon financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

For each of the CGUs with significant amount of goodwill, the key assumptions of long-term growth rate and discount rate used in the value-in-use calculations are as follows.

Cash Generating Unit	Thames	Seal Sands	North Tees	Windmill
WACC (Post-tax)	7.0%	7.0%	7.0%	7.0%
WACC (Pre-tax)	7.9%	7.9%	7.8%	7.9%
Terminal Growth rate	2.5%	2.5%	2.5%	2.5%

The recoverable amount of CGUs would equal their carrying amount if the key assumptions were to individually change to as follows:

WACC (Post-tax)	7.6%	10.5%	5.3%	19.4%
WACC (Pre-tax)	9.0%	13.0%	5.9%	27.3%
Terminal Growth rate	1.8%	-0.8%	4.0%	-8.6%

The above assumptions have been used for the analysis of each CGU. The terminal growth rate is the average annual growth rate over the five-year forecast period. It is based on past performance and Management's expectation of market development.

The impairment charge arose in the North Tees terminal due to a reduction in crude storage capacity arising from underground caverns reaching the end of their useful economic lives in December 2017.The business intends to partly replace this volume by converting additional tanks at the site for crude storage.

In addition, the crude oil market has moved into backwardation during the past year, which affects the North Tees terminal as the only site to store crude oil. This backwardation has inflated current crude oil prices and thus reduced the demand for crude oil storage in the short-term, which has coincided with contract renewal at the site. It is anticipated that the crude market will return to contango in later years, as has typically occurred in the past, thus resulting in increased demand for crude storage.

12. Subsidiaries

The entities within Navigator Terminals Group, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 March 2018
Navigator Terminals Midco Limited	United Kingdom	100%
Navigator Terminals Limited	United Kingdom	100%
Navigator Terminals North Tees Limited	United Kingdom	100%
Navigator Terminals UK Limited	United Kingdom	100%
Navigator Terminals Thames Limited B.V.*	Netherlands	100%
Navigator Terminals Seal Sands Limited*	United Kingdom	100%
Navigator Terminals Windmill Limited*	United Kingdom	100%

Navigator Terminals Holdings Limited is the Ultimate parent company of the group and directly holds shares in Navigator Terminals Midco Limited.
Navigator Terminals Midco Limited directly holds shares in Navigators Terminal Limited.
Navigator Terminals Limited directly holds shares in Navigator Terminals North Tees Limited and Navigator Terminals UK Limited.
Entities marked with an asterisk are directly held by Navigator Terminals UK Limited. The proportion of the voting rights does not differ from the proportion of the ordinary shares held.

The registered addresses of the ultimate parent company and the subsidiaries were as listed below.

Navigator Terminals Holdings Limited - 1st Floor, Waterloo House, Don Street, St Helier, Jersey, JE1 1AD;

All subsidiaries - Oliver Road, West Thurrock, Grays, Essex, United Kingdom, RM20 3ED.

13. Trade and other receivables

	31 March 2018 £'000	31 March 2017 £'000
Trade receivables	3,969	3,771
Amounts owed by related parties	1,909	-
Prepayments and accrued income	662	4,148
Corporation tax	438	2,528
Other taxation and social security	265	443
Other receivables	1,613	2,115
Total trade and other receivables	8,856	13,005

Trade and other receivables are non-interest bearing. As of 31 March 2018, there were four specific provisions totaling £29,000 and the Board did not consider general provision necessary.

Aging of trade receivables

	Current £'000	1-30 days £'000	31-60 days £'000	61-90 days £'000	Over 90 days £'000	Total £'000
Trade receivables	1,619	1,916	248	-	215	3,998
Less provision for bad debts	-	-	-	-	(29)	(29)
Trade receivables net	1,619	1,916	248	-	186	3,969

Bad debt provision

	31 March 2018 £'000	31 March 2017 £'000
At 1 April 2017 and 12 November 2015	115	-
Charged to the income statement	29	115
Utilised during the period	(115)	-
At 31 March	29	115

14. Trade and other payables

	31 March 2018 £'000	31 March 2017 £'000
Trade payables	3,341	3,382
Other payables	207	1,161
Accruals and deferred income	18,958	26,151
Amounts owed to related parties	4,634	-
Other taxation and social security	541	530
Total Trade and other payables	27,681	31,224

15. Interest bearing loans

The book value of loans is follows:

	31 March 2018 £'000	31 March 2017 £'000
Secured bank loan	177,245	169,044
Deferred loan issue costs	(2,092)	(3,305)
Shareholder loan notes	128,355	128,355
	303,508	294,094

Bank loan

Bank borrowings relate to loan facilities granted by the bank for a total value of £187,500,000. As at 31 March 2018, £176,916,000 has been drawn. There was £19,590 of accrued commitment fees outstanding at the period end in relation to unused loan facilities of £6,304,000.

Loan issue costs of £2,092,000 related to bank borrowings were deferred during the period. Amortisation of £1,559,000 has been charged to the Consolidated income statement.

15. Interest bearing loans (continued)

Bank loan (continued)

The loan facility is repayable by 2023. No part of the facility already drawn down is wholly repayable within five years. Interest is charged on amounts drawn under the facilities based on a margin plus LIBOR. The margin during the financial period was 1.9%, which increases to 2.5% in 2021 and 3.5% in 2022. Facility amounts not drawn are subject to a commitment fee which is calculated as 35% of the applicable margin, which was 0.665% of the undrawn amount during the financial period. Of the facility amount currently drawn, £142,500,000 is subject to an interest rate swap which swaps the LIBOR element for a fixed interest rate of 1.7225%, and £17,500,000 is subject to an interest rate swap which swaps the Libor element for a fixed interest rate of 0.88%.

The facilities are secured by fixed and floating charges over all property of the group and have financial covenants on ratio of adjusted consolidated EBITDA in relation to net finance charges and ratio of consolidated EBITDA to total bank debt.

Shareholder loan notes

Amounts owed to related parties comprise listed Unsecured Shareholder Loan Notes with a maximum issue limit of £150,000,000. £103,047,000 were issued for cash consideration and £25,308,000 were issued for non-cash consideration. These notes bear interest at 7.175% per annum and are redeemable in full at par on the earlier of either 31 March 2046, or immediately prior to change in control of, or an initial public offering in relation to the company, Navigator Terminals Holdings Limited. There was £4,693,000 (2017: £2,271,000) of accrued interest on these notes outstanding at the period end.

The carrying amounts of the group's borrowings are denominated in sterling.

The borrowings disclosed above are repayable as follows:

	31 March 2018 £'000	31 March 2017 £'000
6 months or less	-	-
6-12 months	-	-
1-5 years	-	-
Over 5 years	303,508	294,094
	303,508	294,094

16. Deferred Tax liabilities (net)

Deferred tax at 31 March 2018 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

The movement on the deferred tax account is as shown below:

	£'000
Balance b/f	(18,932)
Recognised in profit and loss	
Tax credit	4,259
Recognised in other comprehensive income:	
Actuarial loss on defined benefit pension schemes	(2,420)
At 31 March 2018	(17,093)

The deferred tax is made up as follows:

Deferred tax arising on fair value adjustments	
Differences between capital allowances and depreciation	(7,380)
Deferred tax in relation to intangibles and impairment	(8,102)
Employee pension liabilities	(598)
Deferred revenue	(1,013)
At 31 March 2018	(17,093)

17. Derivative financial instruments

Financial liabilities	31 March 2018	31 March 2017
Fair value loss on interest swap	£'000	£'000
Amounts falling due within one year	324	738
Amounts falling due later than one year	2,590	7,201
	2,914	7,939

The interest rate swap was entered to convert the floating rate, which is three months LIBOR to fixed rates of 1.7225% in relation to the notional principal amount of £142,500,000 and 0.88% in relation to the notional principal amount of £17,500,000. The group settles the difference between the fixed and floating interest rate on a net basis.

The fair value of the swap at 31 March 2018 was a liability of £2,914,000 (2017: £7,939,000). Net gains of £5,025,000 (2017: losses of £7,939,000) were recognised in the Consolidated income statement.

18. Share capital, share premium and acquisition reserve

Share capital

Authorised, allotted and fully paid	31 March 2018 £'000	31 March 2017 £'000
64,370,182 ordinary shares of £1 each	64,370	64,370

100 ordinary £1 shares were issued at par on incorporation for cash.

51,678,182 ordinary £1 shares were issued at par on 30 March 2016 for cash.

12,692,000 ordinary £1 shares were issued on 8 April 2016 for non-cash consideration valued at £24,323,216 giving rise to the share premium account of £11,631,000.

Share premium account and acquisition reserve	31 March 2018 *£'000*	31 March 2017 *£'000*
Premium arising on issue of equity shares	11,631	11,631

The acquisition reserve represents the difference between the total fair value of the business acquired, North Tees, of £72,824,000 less the share capital as recorded by the parent for the acquisition of its interest in North Tees of £24,323,216 as above and the shareholder loan notes issued, valued at £25,308,000.

Acquisition reserve	31 March 2018 £'000	31 March 2017 £'000
Acquisition reserve	23,193	23,193

19. Commitments

Capital commitments at the end of the financial period for which no provision has been made, are as follows:

	31 March 2018 £'000	31 March 2017 £'000
Contracted	3,792	4,290

19. Commitments (continued)

The group had the following future minimum lease payments under non-cancellable operating leases.

	2018		2017	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Not later than one year	862	218	704	91
Later than one year and not later than five years	945	275	1,960	76
Later than five years	2,817	9	2,832	-
	4,624	502	5,496	167

20. Pensions

The group participates in the Navigator Terminals UK Pension and Life Assurance Scheme (formerly Vopak Terminals UK Pension and Life Assurance Scheme 2005). The scheme is provided for certain employees of Navigator Terminals UK Limited, Navigator Terminals Windmill Limited, Navigator Terminals Thames Limited B.V. and Navigator Terminals Seal Sands Limited. The scheme is a funded, defined benefit scheme which provides pension and other related benefits based on final pensionable pay.

Plan assets held in the fund are governed by local regulations and practice for the United Kingdom. Responsibility for the governance of the plan - including investment decisions and contribution schedules lies with the board of Trustees which is represented by member nominated trustees and company nominated trustees.
The risks of the scheme are as follows:
Investment Risk: There is a risk that the future investment returns on assets and future income will be insufficient to meet the Trustees' funding objectives. Given the nature of the investments held, there is a risk that volatility of asset values could lead to an increased contribution requirement in the future.
Investment mismatch: Falls in asset values may not be matched by similar falls in liabilities.
Mortality risk: There is a risk that unanticipated future changes in mortality will increase the cost of the benefits. It is possible that mortality rates will continue to improve more rapidly than expected.
Inflation risk: There is the risk that future price inflation is higher than anticipated resulting in higher liabilities.

The Scheme closed to future accrual with effect from 1 January 2017. Prior to this date, a lump sum payment of £3,000,000 was made to fund the shortfall in the Scheme as at 12 November 2015.

An IAS 19 valuation of the Navigator Terminals UK Pension and Life Assurance Scheme was performed at 31 March 2018 by Mr. G Whittaker FIA. The major financial assumptions adopted for assessing the schemes assets and liabilities as at 31 March 2018 were as follows:

20. Pensions *(continued)*

	2018 %	2017 %
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment	2.70	2.70
Discount rate	2.65	2.50
Inflation assumption	3.35	3.40
Expected return on plan assets	2.65	2.50

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The expected return on plan assets is set equal to the discount rate for IAS 19 purposes. The rate of increase in pensions in payment is the weighted average rate applying across the Navigator scheme for pensions already in payment.

The assumed life expectations are:

Longevity at age 65 for current pensioners (now aged 65)	
- Males	23.1 years
- Females	25.3 years
Longevity at age 65 for future pensioners (now aged 45)	
- Males	26.2 years
- Females	28.4 years

The fair value of plan assets as at 31 March 2018 was:

	£'000
Equity instruments	25,411
Bonds	55,695
Property	-
Cash and other	3,641
	84,747

20. Pensions *(continued)*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 16.9%	Increase by 22.8%
Inflation	1%	Increase by 10.6%	Decrease by 9.8%
Life expectancy	Increase by 1 year	Increase by 4%	

The weighted-average duration of the defined benefit obligation is estimated to be 21 years at 31 March 2018.

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
On acquisition	91,988	(96,293)	(4,305)
Benefits paid	(11,148)	11,148	-
Employer contributions	1,000	-	1,000
Employee contributions	-	-	-
Current service cost	-	-	-
Settlement loss	-	-	-
Curtailment gain	-	-	-
Interest income/(expense)	2,173	(2,268)	(95)
Re-measurement gains	734	11,654	12,388
At 31 March 2018	84,747	(75,757)	8,990

Total (cost)/income recognised within the Consolidated income statement	2018 £'000	2017 £'000
Current service cost	-	(1,818)
Curtailment gain/loss	-	2,388
Settlement gain/loss	-	(1,434)
	-	(864)
Net interest cost	(95)	-

21. Related party transactions

During the year group companies entered into the following transactions with related parties who are not members of the Group.

	Sales of services £'000	Amounts owed by related parties £'000	Interest on shareholders' notes £'000	Amounts owed to related parties £'000
Greenergy Fuels Limited	29,291	1,909	-	-
Macquarie Corporate holdings Pty Limited (UK Branch)	-	-	-	-
Macquarie (UK) Group Services Limited	-	-	929	-
North Leaf Capital Partners GP Limited	-	-	3,252	1,860
Colonial First State Managed Infrastructure Limited	-	-	3,252	1,860
Greenergy International Limited	-	-	1,797	914

Details of directors' remuneration are given in note 6.

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2018 regarding related party transactions.

22. Accounting policies

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Going concern

These Consolidated financial statements have been prepared on a going concern basis which the directors believe to be appropriate, having been satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

Revenue

Revenue represents the fair value of the consideration received or receivable for services provided in the normal course of business, stated net of discounts and value added taxes. When it is probable that the future economic benefits will flow to the group, the recognition in the statement of income is in proportion to the stage of the rendered performance as at the end of the reporting period. Tank rentals, including minimum guaranteed throughputs, are recognised on a straight-line basis over the contractual period. Revenues from excess throughputs and other services are recognised on completion of the services.

22. Accounting policies *(continued)*

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

For business combinations cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Foreign currency

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

22. Accounting policies *(continued)*

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group classifies its financial liabilities into one of two categories, fair value through profit or loss and other financial liabilities, depending on the purpose for which the liability was acquired.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Provisions

Provisions, for example for environmental restoration, restructuring costs and legal claims, are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments.
Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

22. Accounting policies *(continued)*

Financial liabilities

The group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship (see below), the group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see "Financial assets" for in the money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- Liability components of convertible loan notes are measured as described further below.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

22. Accounting policies *(continued)*

Share capital

Financial instruments issued by the group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The group's ordinary shares are classified as equity instruments.

Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

a. Actuarial gains and losses
b. Return on plan assets (interest exclusive)
c. Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in Consolidated income statement, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.
Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit orloss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

22. Accounting policies *(continued)*

Other long-term service benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

22. Accounting policies *(continued)*

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see note 2 Critical estimates and judgements).

The significant intangibles recognised by the group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Software	10-11 years	Replacement cost
Customer relationships	Term of contract (up to 36 years)	Estimated discounted cash flow

22. Accounting policies *(continued)*

Change in accounting policy and disclosures

(a) New standards, amendments and interpretations
No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2017, have had a material impact on the group or parent company.

(b) New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the group or parent company, except the following, set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income, not recycling.

An expected credit losses model replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there are no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 is effective for accounting periods beginning on or after 1 January 2018. The group is working towards the implementation of IFRS 9 on 1 April 2018. It anticipates that the classification and measurement basis for its financial assets and liabilities will be largely unchanged by adoption of IFRS 9, and expects to take the accounting policy choice to continue to account for all hedges under IAS 39. The future potential impact of adopting IFRS 9 is likely to arise from the implementation of the expected loss model. No material impact on profit for future periods are expected.

IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.
Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Variable consideration is included in the transaction price if it is highly probable that there will be no significant reversal of the cumulative revenue recognised when the uncertainty is resolved. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018, and earlier application is permitted.

The group is working towards the implementation of IFRS 15 on 1 April 2018 and has carried out a review of existing contractual arrangements as part of this process. The directors anticipate there will be no material impact for the storage, ancillary services and customer contribution revenue streams.

The directors estimate that the opening balance sheet adjustment on 1 April 2018 will be £nil. The profile of cash receipts is not affected by this standard.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

22. Accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing parts of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefit to the group. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the Consolidated income statement during the period in which they are incurred.

Freehold land is not depreciated. The assets are depreciated on a straight-line basis over the assets estimated useful life as follows:

Plant & Machinery	10 - 40 years
Freehold buildings	10 - 40 years
Fixtures, fittings, tools and equipment	3 - 20 years
Assets under construction	Not depreciated until brought into use

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the Consolidated income statement.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.