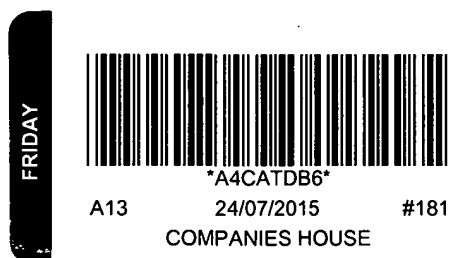


**Lewmar Limited**

**Report and Financial Statements**

**Year Ended 31 December 2014**

**Registered Number 620277**



# **LEWMAR LIMITED**

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## **LEWMAR LIMITED**

### **DIRECTORS**

P Tierney  
P Castell

### **SECRETARY**

N O Chalmers

### **REGISTERED OFFICE**

Southmoor Lane  
Havant  
Hants  
PO9 1JJ

### **BANKERS**

Bank of Scotland  
167-201 Argyle Street  
Glasgow  
G2 8BU

### **INDEPENDENT AUDITORS**

BDO LLP  
Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

# **LEWMAR LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

### **BUSINESS OVERVIEW**

Lewmar is the world's premier leisure marine equipment supplier with the Lewmar brand the most recognised name in recreational boating deck equipment. Lewmar sells directly to leisure boat original equipment manufacturers (OEMs) and through a worldwide network of agents and distributors.

The principal activity of the Company is the manufacture, design and distribution of winches, hatches, portlights, deck hardware, anchoring and windlass products, thrusters and steering gear to the world's sailboat and powerboat building industry.

### **Results**

It is pleasing to report that the good operating profit performance reported in previous years has been improved upon during 2014. In the year 2014, the company generated a Profit Before Tax of £1.2m (2013: £0.5m) which built upon the good performance achieved in previous years.

### **Financial Highlights & Key Performance Indicators**

Sales for the 12 months to 31 December 2014 were £28.5m (2013: £28.5m) with the sales growth in our continuing operations almost completely offsetting the reduction due to the disposal of the Navtec Rigging segment of our business in 2013. In our continuing operations we achieved sales of £28.5m (2013: £27.9m) reflecting market share gain and very slight market recovery. The market remains extremely price competitive and upward pressure on raw material and component costs continues. As in previous years we have continued to tightly control our overhead costs. With interest charges of £0.4m (2013: £0.4m), the combination of these factors resulted in a significant increase in Profit After Tax to £1.4m (2013: £0.5m).

With 83% (2013: 78%) of the Company's sales outside the UK, exchange rates remain an enduring consideration. We have been able to manage the risks and exposures throughout 2014 such that there has been minimal impact on the reported results. At group level forward contracts are placed to 'lock-in' currency exposures where and when appropriate. Forward contracts placed in the past to 'lock-in' currency exposure have protected us against a part of the Euro's recent weakness but this remains a risk going forwards.

We have a large number of detailed measures, which we use to manage the business but as with most businesses we focus in the Profit and Loss Account at the top level on sales, margins, people numbers and overheads compared to budget and the prior year. In the balance sheet we manage working capital and debt.

### **Sales and Operations**

Sales growth in our continuing business of 2% is a creditable performance given prevailing market conditions. The OEM boatbuilders continue to operate significantly below their historic capacity but activity levels do seem to have increased and are being maintained. The Aftermarket channel continues to provide consistent levels of demand but with little persistent signs of growth. Our customer base continues to remain loyal to the Lewmar brand and we remain well-positioned in the market.

In reviewing sales geographically little has changed in 2014 compared to the previous year. Europe has continued to suffer greatly from the economic difficulties, with the stagnant or low growth and high unemployment levels in the Eurozone having a depressing impact on our discretionary spend market and products. The USA is showing some consistent signs of improvement, primarily focussed in the smaller power boat sector. Emerging markets have continued to experience difficulties in 2014 as they did in 2013 with growth rates diminishing or remaining flat.

We have continued to invest in the research and development of new and existing products, launching various new products and / or variants during the year. The successful installation and commissioning of a new leading edge glass plant will add to our capabilities, which is a critical component of developing the business and maintaining a key market position with customers.

Operationally, we remain keenly focussed on running our factories and logistics efficiently with efforts directed towards on time delivery and the management of inventory at optimum levels. Success here has allowed us to remain comfortably within our bank facilities throughout the reported period.

**LEWMAR LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**  
**(Continued)**

**RISK FACTORS**

The Board have identified the risks facing the business and Shareholders should be aware of these. The Group operates in the leisure market, which runs the risk of a reduction in discretionary consumer demand. In addition the Group makes 83% of its sales outside of the UK yet has the majority of its cost base in sterling. We have many overheads that are semi-fixed making rapid fluctuations in demand difficult to manage and the business is notably seasonal with significantly higher sales in the first half of the calendar year.

**Foreign currency risk**

The company has significant overseas sales. The management of the risk created by this is performed at a group level, by Lewmar Marine Limited, by means of the group policy to eliminate the main portion of its currency exposure on sales up to twenty four months ahead through forward currency contracts. The recent weakening of the Euro against Sterling, while having a limited impact on 2014 results, is likely to have a further adverse effect on profitability if it remains at the weaker levels for a prolonged period.

**Interest rate risk**

The interest rate risk is managed at a group level, by Lewmar Marine Limited, by the group borrowing in desired currencies at both fixed and floating rates of interest. The group also considers the use, where appropriate, of interest rate caps and collars to manage the Group's exposure to interest rate fluctuations.

**Liquidity risk**

The liquidity risk is managed by careful cash flow planning and forecasting at a company level. At the Group level, the Group's policy has, throughout the period, been to ensure continuity of funding. Overdraft facilities and the use of a revolving credit facility achieve short-term flexibility.

**Credit risk**

The credit risk is managed by the use of credit checks on new customers.

**PROSPECTS AND STRATEGY**

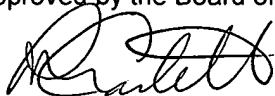
The 2014 year saw the delivery of key elements of our strategy to underpin our future plans for growth and enhance shareholder value.

The successful equity fundraising by the group enabled us to install and commission the glass facility which provides a new revenue stream for the business. This revenue stream will take advantage of our existing routes to market and leverages our existing operational, logistics and support infrastructures.

The economic difficulties in Europe remain and our European market continues to be very unpredictable as a result. This contrasts with the USA, where there is consistent evidence that a gradual recovery in the economy and our sector is underway and beginning to gain some momentum. Our continuing strategy is to focus on efficient, lean, cost-conscious management, innovative product development and delivering an on-time quality product.

It is again pleasing to be able to report good performance across our business in terms of sales, profitability and working capital management. The challenge for the year ahead is to continue our established trend in these key areas while driving the key elements of the strategic plan in 2015 to accelerate improvements in profitability and continue to build shareholder value.

Approved by the Board of Directors and signed on Behalf of the Board



P Castell  
Director  
15 July 2015

# **LEWMAR LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors present their report on the affairs of the Company, together with the accounts and auditors' report, for the year ended 31 December 2014.

#### **1. Directors' Responsibilities**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

All of the current directors have taken the necessary steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

#### **2. Strategic Report**

The following information is disclosed in the Strategic Report on pages 3 and 4

- Review of the business and likely future developments
- Key performance indicators
- Principal risks and uncertainties
- Research and development
- Post balance sheet events

#### **3. Directors**

The Directors who served throughout the year were as follows:

P Tierney  
P Castell

The company holds insurance cover to protect Directors and Officers against liability arising from legal actions brought against them in the course of their duties.

#### **4. Independent auditors**

The auditors, BDO LLP are deemed to have been reappointed in accordance with Section 487 of the Companies Act 2006.

**LEWMAR LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014  
(Continued)**

**5. Employee Involvement**

Employee involvement is fundamental to the company's success. The policy of regular meetings between management and employees and company newsletters, provides employees with information which encourages the free flow of information and ideas. Investment in training and development is actively encouraged for all levels of employees, as this is considered critical for the success of the Company. Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where an employee suffers disablement during service every effort is made to find alternative suitable employment in the Company.

Approved by the Board of Directors and signed on Behalf of the Board

A handwritten signature in black ink, appearing to read 'P. Castell', written in a cursive style.

P Castell  
Director  
15 July 2015

# LEWMAR LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEWMAR LIMITED

We have audited the financial statements of Lewmar Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective responsibilities of directors and auditors

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

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

*BDO LLP*

Mr Kim Hayward (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
United Kingdom  
20 July 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# LEWMAR LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2014

		Continuing operations 2014 £000	Dis- continued operations 2014 £000	Year ended 31 December 2014 £000	Continuing operations 2013 £000	Dis- continued operations 2013 £000	Year ended 31 December 2013 £000
	Notes						
<b>TURNOVER</b>	2	28,458	-	28,458	27,938	571	28,509
Cost of Sales		(22,231)	-	(22,231)	(22,363)	(469)	(22,832)
Gross Profit		6,227	-	6,227	5,575	102	5,677
Distribution Costs		(825)	-	(825)	(870)	(103)	(973)
Administration Costs		(3,778)	-	(3,778)	(3,708)	(30)	(3,738)
<b>OPERATING PROFIT</b>	4	1,624	-	1,624	997	(31)	966
Release of provision for operating loss		-	-	-	-	3	3
Loss on sale of operations	20	-	-	-	-	(11)	(11)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		1,624	-	1,624	997	(39)	958
Net interest payable	5			(421)			(424)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				1,203			534
Tax on profit on ordinary activities	6			167			(21)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	15			1,370			513

The operating profit and the profit on ordinary activities after taxation for the year have been computed on the historical cost basis.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
Profit for the period	1,370	513
Exchange translation losses	-	(19)
<b>Total recognised gains relating to the period</b>	<b>1,370</b>	<b>494</b>

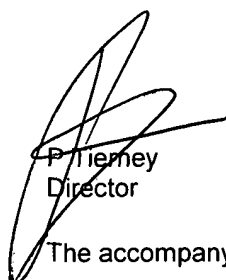
The accompanying notes on pages 10 to 19 form part of these financial statements.

# LEWMAR LIMITED


Company number: 620277  
BALANCE SHEET

		At 31 December 2014 £'000	At 31 December 2013 £'000
	Notes		
<b>Fixed assets</b>			
Intangible assets	7	-	-
Tangible assets	8	2,007	1,353
Investments	9	-	-
		<u>2,007</u>	<u>1,353</u>
<b>Current assets</b>			
Stock	10	4,179	4,119
Debtors	11	4,026	5,675
Cash at bank and in hand		3,192	692
		<u>11,397</u>	<u>10,486</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(11,132)</u>	<u>(10,919)</u>
<b>Net current assets/(liabilities)</b>		<u>265</u>	<u>(433)</u>
<b>Total assets less current liabilities</b>		<u>2,272</u>	<u>920</u>
<b>Provisions for liabilities</b>	13	(147)	(180)
<b>Net assets/(liabilities)</b>		<u>2,125</u>	<u>740</u>
<b>Capital and Reserves</b>			
Called up share capital	14	75	75
Profit and loss account	15	2,035	665
Other Reserve	15	15	-
<b>Shareholders' funds</b>	16	<u>2,125</u>	<u>740</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 July 2015 and were signed on its behalf by:



P Tierney  
Director



P Castell  
Director

The accompanying notes on pages 10 to 19 form part of these financial statements.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies:

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies, all of which have been applied consistently throughout the year and the preceding period, are described below:

#### a. Basis of Accounting

The accounts are prepared under the historical cost convention modified to include the revaluation of properties and plant and machinery, in accordance with applicable United Kingdom accounting standards and the Companies Act 2006.

#### b. Consolidated Accounts

The financial statements contain information about Lewmar Limited as an individual company and do not contain financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Lewmar Marine Limited a company registered in Scotland.

#### c. Turnover

Turnover, which excludes applicable sales taxes, comprises of sales of leisure marine equipment and related services. Turnover is recognised when substantially all the risks and rewards of ownership are transferred to the customer; normally this is on despatch.

#### d. Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets on a straight-line basis over their estimated useful lives as follows:

Long leasehold buildings	-	Over the lower of 25 years or remaining life of lease
Machinery and equipment	-	10 years
IT equipment	-	4 years
Motor vehicles	-	4 years
Furniture and fittings	-	10 years

The company has adopted the transitional provisions of FRS15 and frozen the existing valuations on assets previously re-valued

#### e. Goodwill

For acquisition of a business, including an interest in an associated undertaking, following the implementation of FRS 10 "Goodwill and Intangible Assets", purchased goodwill is capitalised in the period in which it arises and amortised over 20 years. The Directors regard 20 years as a reasonable maximum of the estimated useful life of goodwill since it is difficult to make projections exceeding this period. Capitalised purchased goodwill in respect of subsidiaries is included within intangible fixed assets.

#### f. Fixed Asset Investments

Investments are shown at cost less provision for impairment.

#### g. Stocks

Stocks are valued at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and appropriate overhead expenditure. Net realisable value is defined as anticipated selling price less cost to completion.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 1. Accounting Policies (Continued):

#### h. Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### i. Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at 31 December 2014. Transactions in foreign currencies are recorded at the rate prevailing on the day.

The Net Assets of overseas branches are translated at the rate ruling at 31 December 2014 and the results for the period are translated at an average rate for the period with the translation differences being dealt with in reserves. All other exchange differences are taken to profit and loss account.

#### j. Research and Development

Expenditure on research and development is written off as incurred.

#### k. Leased Assets

Assets acquired under finance leases are included in tangible fixed assets and the outstanding future lease obligations are shown in creditors. Payments under operating leases are charged to revenue in the period which they are incurred. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

#### l. Cashflow Statement

The Company is exempt from preparing a cashflow statement as required by Financial Reporting Standard 1 (revised 1996) as it is a wholly owned subsidiary undertaking. A consolidated group cashflow statement is included in the financial statements of Lewmar Marine Limited, the ultimate parent undertaking.

#### m. Pension Commitments

With effect from 5 April 2000, a Group Personal Plan (defined contribution) was introduced for companies in the Lewmar Marine group. The company's contribution to this arrangement, on behalf of each member, is age related and is a fixed percentage of basic earnings. Contributions charged in the period in respect of contributions due to the scheme for the period are shown in Note 3.

#### n. Going Concern

The accounts have been prepared on a going concern basis as the Directors have formed a judgement, at the time of approving the financial statements, that the company has adequate resources to continue in operational existence for the foreseeable future. This judgement is based on the continuing support of the ultimate parent company which in turn relies on the support of the bank and major shareholders.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 1. Accounting Policies (Continued):

#### o. Warranties

Warranties are given in the normal course of business with the liability for associated costs being based on an assessment of future claims with reference to past experience and are recorded within accruals. Management reflect current knowledge in assessing the level of accrual required.

#### p. Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

### 2. Turnover

Turnover consists entirely of sales of leisure marine equipment and services.

The analysis of turnover by destination is as follows:

		Year to 31 Dec 2014	Year to 31 Dec 2013
		£'000	£'000
Third party customers	- United Kingdom	4,974	6,134
	- Europe	15,432	14,996
	- Rest of World	3,659	3,129
Other group companies	- USA	4,393	4,250
		<hr/>	<hr/>
		28,458	28,509
		<hr/>	<hr/>

All of the Company's net assets at 31 December 2014 and 31 December 2013 relate to leisure marine activities.

### 3. Staff costs

The average number of people employed by the Company (including Directors) during the period was as follows:

	Year to 31 Dec 2014	Year to 31 Dec 2013
Production	132	129
Selling and Distribution	28	27
General and Administration	9	10
	<hr/>	<hr/>
	169	166
	<hr/>	<hr/>

The aggregate payroll costs comprise:

	Year to 31 Dec 2014	Year to 31 Dec 2013
	£'000	£'000
Wages and Salaries	5,030	4,789
Social security costs	524	508
Pension costs	188	194
Redundancy costs	-	114
Share based payments	15	-
	<hr/>	<hr/>
	5,757	5,605
	<hr/>	<hr/>

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 3. Staff costs (Continued)

Director's emoluments	£'000	£'000
Aggregate emoluments	180	180

The directors are employed by Lewmar Marine Limited, which bears the costs of their total remuneration. Lewmar Marine Limited recharges the company a monthly management charge in respect of the services provided by the directors to the company and this amount is disclosed above.

### 4. Operating profit

	Year to 31 Dec 2014 £'000	Year to 31 Dec 2013 £'000
Auditors' Remuneration - BDO LLP		
- fees payable to the company's auditor for the audit of the company's annual accounts	31	27
Operating lease rentals - Plant and machinery	132	147
Operating lease rentals - Land and Buildings	501	484
Depreciation - leased assets	-	11
Depreciation - owned assets	407	430
(Profit)/Loss on disposal of tangible assets	-	(1)
Reorganisation costs	255	243
Redundancy costs	-	114
Movement in other provision	150	113

The statutory information on remuneration for other services provided by the companies auditors and it's associates is given on a consolidated basis in the group accounts of the parent company, Lewmar Marine Limited.

### 5. Interest payable and similar charges

	Year to 31 Dec 2014 £'000	Year to 31 Dec 2013 £'000
Interest payable on bank loans and overdrafts	(1)	(6)
Interest payable to group companies	(420)	(422)
Finance lease interest payable	-	4
	(421)	(424)

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 6. Taxation

	Year to 31 Dec 2014 £'000	Year to 31 Dec 2013 £'000
a) The tax (credit)/charge on ordinary activities comprise:		
<b>Current tax</b>		
UK Corporation tax on the profit for the period	-	-
Tax over provided in previous years – corporation tax	(39)	-
Overseas tax	-	-
Overseas tax underprovided in previous years	-	111
Total current tax credit	(39)	111
<b>Deferred Tax</b>		
Origination and reversal of timing differences	(128)	(90)
Total deferred tax	(128)	(90)
Tax (credit)/charge on ordinary activities	(167)	21

b) The tax (credit)/charge for the period differs from the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%) and can be reconciled as follows:

	Year to 31 Dec 2014 £'000	Year to 31 Dec 2013 £'000
Profit on ordinary activities	1,203	534
Tax on profit on ordinary activities at standard rate of 21.49% (2013: 23.25%)	259	124
Effect of:		
Items not deductible for tax purposes	13	4
Movement on unrecognised tax losses	(170)	(130)
Differences between capital allowances and depreciation	(102)	(16)
Other timing differences	(2)	18
Fixed asset differences	2	-
Corporation tax over provided in previous years	(39)	-
Overseas tax underprovided in previous years	-	111
Current tax credit	(39)	111

The company has tax losses of £3.2m (2013: £3.2m) available to carry forward against future trading profits.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 7. Intangible assets

	Goodwill
<b>Cost</b>	
At 1 January 2014	214
Disposals	(214)
<b>At 31 December 2014</b>	<b>-</b>
<b>Amortisation</b>	
At 1 January 2014	214
Disposals	(214)
<b>At 31 December 2014</b>	<b>-</b>
<b>Net book Value</b>	
<b>At 31 December 2014</b>	<b>-</b>
At 1 January 2014	-

The goodwill related to the trade and assets of the Navtec Sud branch which has been disposed.

### 8. Tangible Fixed Assets

	IT Equipment £'000	Furniture and non-IT equipment £'000	Plant and vehicles £'000	Total £'000
<b>Cost/valuation</b>				
At 1 January 2014	1,976	730	9,799	12,505
Additions	72	20	969	1,061
Disposals	(57)	(38)	(33)	(128)
Exchange Adjustments	-	-	-	-
<b>At 31 December 2014</b>	<b>1,991</b>	<b>712</b>	<b>10,735</b>	<b>13,438</b>
<b>Depreciation</b>				
At 1 January 2013	1,908	561	8,683	11,152
Provision for year	54	45	308	407
Disposals	(57)	(38)	(33)	(128)
Exchange Adjustments	-	-	-	-
<b>At 31 December 2014</b>	<b>1,905</b>	<b>568</b>	<b>8,958</b>	<b>11,431</b>
<b>Net Book Values</b>				
<b>At 31 December 2014</b>	<b>86</b>	<b>144</b>	<b>1,777</b>	<b>2,007</b>
At 1 January 2014	68	169	1,116	1,353



# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 8. Tangible Fixed Assets (continued)

There are no assets held under finance leases.

In 1999 the plant and machinery was revalued by Henry Butcher Ltd (Consultant auctioneers and valuers). Plant and machinery was revalued on the basis of depreciated replacement cost. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Statement of Asset Valuation Practice and Guidance Notes and have not been updated. The company has taken advantage of the transitional provisions in FRS 15 to retain the existing book values including those of its unimpaired tangible fixed assets, which were previously stated at valuation.

### 9. Investments

<b>Cost</b>	<b>£'000</b>
At 1 January 2014	658
Disposals	(658)

<b>At 31 December 2014</b>	<b>-</b>
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#### Provision for diminution in value

At 1 January 2014	658
Disposals	(658)
Provided in the year	-

<b>At 31 December 2014</b>	<b>-</b>
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#### Net book value

<b>At 31 December 2014</b>	<b>-</b>
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At 1 January 2014	-
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The investment related to the investment in the Holland branch which was closed in the year.

### 10. Stocks

	<b>At 31 Dec 2014 £'000</b>	<b>At 31 Dec 2013 £'000</b>
Raw materials and consumables	<b>2,572</b>	2,588
Work in progress	<b>305</b>	216
Finished goods	<b>1,302</b>	1,315
	<b>4,179</b>	4,119

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 11. Debtors

	At 31 Dec 2014 £'000	At 31 Dec 2013 £'000
All amounts are due within one year.		
Trade debtors	2,605	2,402
Other debtors	568	492
Prepayments and accrued income	195	70
Amounts owed by parent and fellow subsidiary undertakings	658	2,711
	<u>4,026</u>	<u>5,675</u>

Included within other debtors is an amount of £244,000 (2013: £116,000) relating to a deferred tax asset the recoverability of which is dependant of future taxable profits.

The movement in the deferred taxation asset in the period is as follows:

	£000
At 1 January 2014	116
Origination and reversal of timing differences	128
<b>At 31 December 2014</b>	<u><b>244</b></u>

### 12. Creditors: Amounts falling due within one year

	At 31 Dec 2014 £'000	At 31 Dec 2013 £'000
Bank overdraft	-	1
Trade creditors	4,357	4,094
Amounts owed to parent and fellow subsidiary undertakings	5,336	5,286
Other taxes & social security	329	288
Other Creditors	860	1,001
Accruals and deferred income	250	249
Corporation tax payable	-	-
	<u>11,132</u>	<u>10,919</u>

The company has granted a charge over all of its assets to the group's principal bankers as security for the borrowings of the Lewmar Marine Limited Group.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 13. Provision for Liabilities

	<b>Other Provisions £'000</b>
At 1 January 2014	180
Charged in the year	150
Utilised in the year	(183)
	<hr/>
<b>At 31 December 2014</b>	<b>147</b>

The other provision covers dilapidations and legal costs the directors expect this provision to be utilised in the next year.

There are no liabilities for deferred taxation not provided for in the accounts. There are potential deferred tax assets amounting to £477,000 (2013: £709,000) arising from timing differences and losses carried forward which have not been recognised, as their recoverability is uncertain.

### 14. Called up Share Capital

	<b>At 31 Dec 2014 £'000</b>	<b>At 31 Dec 2013 £'000</b>
80,000 Authorised Ordinary Shares of £1 each	<b>80</b>	<b>80</b>
	<hr/>	<hr/>
75,000 Issued and fully paid Ordinary Shares of £1 each	<b>75</b>	<b>75</b>
	<hr/>	<hr/>

### 15. Reserves

	<b>Other Reserve £'000</b>	<b>Profit &amp; Loss Account £'000</b>
At 1 January 2014	-	665
Retained profit for the financial year	-	1,370
Share based payments	15	-
	<hr/>	<hr/>
<b>At 31 December 2014</b>	<b>15</b>	<b>2,035</b>
	<hr/>	<hr/>

### 16. Reconciliation of Movement in Shareholders' Funds

	<b>At 31 Dec 2014 £'000</b>	<b>At 31 Dec 2013 £'000</b>
Opening shareholder's funds	<b>740</b>	246
Retained profit for the period	<b>1,370</b>	494
Share based payments	<b>15</b>	-
	<hr/>	<hr/>
<b>Closing shareholder's funds</b>	<b>2,125</b>	<b>740</b>
	<hr/>	<hr/>

All shareholder's funds relate to equity interests.

# LEWMAR LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 17. Leasing Commitments

Annual commitments under non-cancellable operating leases were as follows:

	<b>Property</b>		<b>Plant &amp; Machinery</b>	
	<b>At 31 Dec</b>	<b>At 31 Dec</b>	<b>At 31 Dec</b>	<b>At 31 Dec</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating leases which expire:				
Within one year	-	-	27	16
Between 1 and 2 years	-	-	24	38
Between 2 and 5 years	258	-	15	39
After 5 years	215	473	27	24
	<b>473</b>	<b>473</b>	<b>93</b>	<b>117</b>

### 18. Capital Commitments

At the end of the period, capital commitments were:

	<b>At 31 Dec</b>	<b>At 31 Dec</b>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Contracted but not provided for	49	30

### 19. Contingent Liabilities:

The company has a contingent liability in respect of guarantees given to the Bank of Scotland for overdrafts and loans arising with the Bank of Scotland in Group companies of £7,784,000 (2013: £6,712,000).

### 20. Discontinued Operations:

On the 29 March 2013 the company disposed of the assets of the Navtec Rigging operation.

### 21. Ultimate Parent Undertaking:

The ultimate parent company and the parent undertaking of the smallest and largest group to consolidate these accounts is Lewmar Marine Limited a company registered in Scotland. Copies of the group accounts can be obtained from the Secretary, Lewmar Marine Limited, Southmoor Lane, Havant, PO9 1JJ.

### 22. Related Party Transactions:

The company and group have taken advantage of the exemption available in accordance with FRS8 'Related party disclosures' not to disclose transactions entered into between two or more members of the group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.