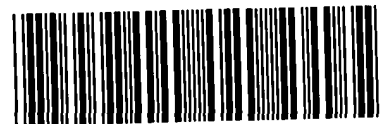


Lyonesse Shipping Company Limited

Annual Report and Financial Statements Year Ended 31 March 2018

Registration number: 05012186

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COMPANIES HOUSE

Lyonesse Shipping Company Limited

Company Information

Directors	Mr A May
	Mr M Howarth
	Mr S Reid
Registered office	Steamship House Quay Street Penzance Cornwall TR18 4BZ
Auditors	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA

Lyonesse Shipping Company Limited

Balance Sheet

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	3	5,000,103	4,839,228
Current assets			
Debtors	4	150,054	-
Creditors: Amounts falling due within one year	5	<u>(4,437,976)</u>	<u>(3,374,709)</u>
Net current liabilities		<u>(4,287,922)</u>	<u>(3,374,709)</u>
Net assets		<u>712,181</u>	<u>1,464,519</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>712,081</u>	<u>1,464,419</u>
Total equity		<u>712,181</u>	<u>1,464,519</u>

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

Approved and authorised by the Board on 19/7/18 and signed on its behalf by:



Mr A May
Director

Company Registration Number: 05012186

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Steamship House

Quay Street

Penzance

Cornwall

TR18 4BZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements are prepared in pounds sterling which is the functional currency of the company.

Going concern

The company has net current liabilities at the year end of £4,287,922 (2017 - £3,374,709). The company is supported financially by its parent company via an inter-company loan account and the parent company has committed to continue this support for the foreseeable future. The directors therefore consider that the preparation of the accounts on a going concern basis is appropriate.

Revenue recognition

Turnover represents charges for the leasing of the ships. Revenue is recognised in accordance with the terms of the underlying lease agreements and excludes Value Added Tax.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

Depreciation is charged so as to write off the cost of assets less residual value, as follows:

Asset class	Depreciation method and rate
Ships	Straight line over the life of the ship

Stocks

Stocks are stated at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and selling costs.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;

All financial instruments are classified as basic.

Recognition and measurement

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

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

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

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Critical accounting judgements and estimation uncertainty

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

The key estimates applied by management are as outlined below:

Valuation of assets under construction

Management considers whether assets under construction are impaired on an annual basis. Where an indication of impairment is identified an estimation of the recoverable value is established by calculating the predicted value in use of the asset. This is considered an appropriate method to support its carrying value given the company's intended purpose for the asset.

The value in use calculations require the estimation of the future cash flows of the asset when it is complete and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Following the preparation and agreement by the directors of such calculations, during the year assets under construction have been impaired by £881,128 (2017 - £nil).

Depreciation and useful economic lives of tangible assets

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

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

3 Tangible assets

	Assets under construction £	Ships £	Total £
Cost or valuation			
At 1 April 2017	2,822,509	7,972,810	10,795,319
Additions	1,258,619	130,469	1,389,088
Disposals	-	(53,825)	(53,825)
At 31 March 2018	<u>4,081,128</u>	<u>8,049,454</u>	<u>12,130,582</u>
Depreciation			
At 1 April 2017	-	5,956,091	5,956,091
Charge for the year	-	340,363	340,363
Eliminated on disposal	-	(47,103)	(47,103)
Impairment	881,128	-	881,128
At 31 March 2018	<u>881,128</u>	<u>6,249,351</u>	<u>7,130,479</u>
Carrying amount			
At 31 March 2018	<u>3,200,000</u>	<u>1,800,103</u>	<u>5,000,103</u>
At 31 March 2017	<u>2,822,509</u>	<u>2,016,719</u>	<u>4,839,228</u>

4 Debtors

	2018 £	2017 £
Prepayments	<u>150,054</u>	<u>-</u>
	<u>150,054</u>	<u>-</u>

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

5 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	236,545	-
Amounts due to group undertakings	4,170,426	3,350,930
Corporation tax	208	219
Other creditors	22,000	22,000
Accrued expenses	8,797	1,560
	<u>4,437,976</u>	<u>3,374,709</u>

6 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

7 Parent and ultimate parent undertaking

The company has taken advantage of the exemption in FRS102.33 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

The company's immediate parent is Isles of Scilly Steamship Company Limited, incorporated in England and Wales.

These financial statements are available upon request from
Hugh Town
St Mary's
Isles of Scilly
TR21 0LJ

8 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Andrew Allen BSc FCA, who signed for and on behalf of PKF Francis Clark on26 July 2018..