

Lyonesse Shipping Company Limited
Annual Report and Financial Statements
Year Ended 31 March 2021

Registration number: 05012186

Lyonesse Shipping Company Limited

Contents

Balance Sheet	<u>1</u>
Notes to the Financial Statements	<u>2</u> to <u>6</u>

Lyonesse Shipping Company Limited

Balance Sheet

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	1,330,108	1,671,575
Current assets			
Debtors	<u>5</u>	122,675	94,931
Creditors: Amounts falling due within one year	<u>6</u>	<u>(759,632)</u>	<u>(1,620,197)</u>
Net current liabilities		<u>(636,957)</u>	<u>(1,525,266)</u>
Net assets		<u>693,151</u>	<u>146,309</u>
Capital and reserves			
Called up share capital	<u>7</u>	1,800,100	1,800,100
Profit and loss account		<u>(1,106,949)</u>	<u>(1,653,791)</u>
Shareholders' funds		<u>693,151</u>	<u>146,309</u>

Approved and authorised by the director on 21 July 2021

.....
Mr S Reid
Director

Company Registration Number: 05012186

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.

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2021

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

These financial statements were authorised for issue by the director on 21 July 2021.

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.

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2021

Going concern

In preparing and approving these financial statements the Board have given due consideration to going concern risks, and in particular the impact of the Coronavirus pandemic. The pandemic led to widespread, profound economic shocks, and significantly curtailed the operational activities of the Company. In reaching a conclusion on the going concern assumption the Board considered and factored in the following matters:

i) The Company continues to be supported financially by its parent company, Isles of Scilly Steamship Company Limited, via an intercompany loan and the parent company has committed to continue this support for the foreseeable future. There is a letter of support from the group and the Company is dependent on this support.

ii) During the year ended 31 March 2021, the Group accessed substantial grant funding from the Department for Transport in order to support the essential services provided by the Group during the initial lockdown period from April to June 2020 and also in January 2021. The Group received further contracted Government grant funding post year end. This assisted the Group up until 17 May 2021 when the leisure and tourism sector started to open up in accordance with the Government's roadmap out of lockdown.

The grant funding meets the losses incurred from running a restricted service and to support the cash outflows that arose during the respective periods of lockdown. The Group remains in close contact with local representatives and the Department for Transport in relation to additional funding should the need arise.

iii) The Group have prepared budgets and cash flow forecasts (which include the results of the Company) in accordance with expected passenger numbers and freight volumes. This factors in any substantial changes that could arise from further lockdowns and increased competition.

iv) The Company continues to implement various cost saving measures to minimise the cost base.

v) The Group have undertaken outline negotiations with lenders in order to establish the potential borrowings that would be available to the Group should the need arise.

vi) There are business continuation plans in place to ensure that there is adequate cover for senior management should they become incapacitated.

After due consideration of these factors the directors are satisfied that the Company will be able to operate within the available facilities and continue as a going concern for the foreseeable future – being a period no less than 12 months from the date of approval of these financial statements.

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.

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2021

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.

Tangible assets

Tangible assets are stated in the balance sheet 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.

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 2021

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:

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.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 0 (2020 - 0).

4 Tangible assets

	Ships £	Total £
Cost or valuation		
At 1 April 2020	8,671,141	8,671,141
Additions	47,766	47,766
At 31 March 2021	8,718,907	8,718,907
Depreciation		
At 1 April 2020	6,999,566	6,999,566
Charge for the year	389,233	389,233
At 31 March 2021	7,388,799	7,388,799
Carrying amount		
At 31 March 2021	1,330,108	1,330,108
At 31 March 2020	1,671,575	1,671,575

5 Debtors

	2021 £	2020 £
Prepayments	122,675	94,931
	122,675	94,931

Lyonesse Shipping Company Limited

Notes to the Financial Statements

Year Ended 31 March 2021

6 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Amounts owed to group undertakings		756,024	1,608,552
Taxation and social security		208	208
Accruals and deferred income		3,400	11,437
		<u>759,632</u>	<u>1,620,197</u>

7 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	1,800,100	1,800,100	1,800,100	1,800,100

During the prior year 1,800,000 ordinary shares each with a nominal value of £1 were allotted for a total consideration of £1,800,000.

8 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

9 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 on 20 August 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.