

NAVYARD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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NAVYARD LIMITED

COMPANY INFORMATION

Directors	A W S Binks W A Binks T A Binks
Company secretary	J P Ward
Registered number	03073842
Registered office	Naval House Kings Quay Steet Harwich Essex CO12 3JJ
Independent auditor	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR
Bankers	National Westminster Bank Plc Silbury House 300 Silbury Boulevard Milton Keynes MK9 2ZF

NAVYARD LIMITED

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NAVYARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the company during the period was property development.

Directors

The directors who served during the year were:

A W S Binks
W A Binks
T A Binks

Disclosure of information to auditor

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

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

NAVYARD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 27 September 2018 and signed on its behalf.



W A Binks
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAVYARD LIMITED

Opinion

We have audited the financial statements of Navyard Limited ("the company") for the year ended 31 December 2017, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

S Beavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

28 September 2018

NAVYARD LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover		439,409	439,389
Gross profit		<u>439,409</u>	<u>439,389</u>
Administrative expenses		(349,053)	(74,744)
Operating profit		<u>90,356</u>	<u>364,645</u>
Interest payable and expenses		-	(5,039)
Profit before tax		<u>90,356</u>	<u>359,606</u>
Tax on profit	5	(17,256)	(44,549)
Profit for the financial year		<u><u>73,100</u></u>	<u><u>315,057</u></u>
Other comprehensive income for the year			
Group tax relief at gross value		-	(172,594)
Other comprehensive income for the year		-	(172,594)
Total comprehensive income for the year		<u><u>73,100</u></u>	<u><u>142,463</u></u>

The notes on pages 9 to 16 form part of these financial statements.

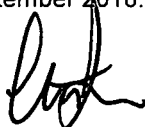
NAVYARD LIMITED
REGISTERED NUMBER:03073842

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Property held for development		3,385,791	3,385,791
Debtors: amounts falling due within one year	6	493,439	443,341
Cash at bank and in hand	7	75,462	72,316
		<u>3,954,692</u>	<u>3,901,448</u>
Creditors: amounts falling due within one year	8	(364,795)	(384,651)
Net current assets		<u>3,589,897</u>	<u>3,516,797</u>
Total assets less current liabilities		<u>3,589,897</u>	<u>3,516,797</u>
Net assets		<u><u>3,589,897</u></u>	<u><u>3,516,797</u></u>
Capital and reserves			
Called up share capital		1	1
Revaluation reserve	10	1,810,087	1,810,087
Profit and loss account	10	1,779,809	1,706,709
		<u><u>3,589,897</u></u>	<u><u>3,516,797</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2018.



W A Binks
Director

The notes on pages 9 to 16 form part of these financial statements.

NAVYARD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	1	1,810,087	1,706,709	3,516,797
Comprehensive income for the year				
Profit for the year	-	-	73,100	73,100
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	73,100	73,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	1	1,810,087	1,779,809	3,589,897
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 16 form part of these financial statements.

NAVYARD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1	1,810,087	1,564,246	3,374,334
Comprehensive income for the year				
Profit for the year	-	-	315,057	315,057
Group tax relief at gross value	-	-	(172,594)	(172,594)
Other comprehensive income for the year	-	-	(172,594)	(172,594)
Total comprehensive income for the year	-	-	142,463	142,463
Total transactions with owners	-	-	-	-
At 31 December 2016	1	1,810,087	1,706,709	3,516,797

The notes on pages 9 to 16 form part of these financial statements.

NAVYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("Section 1A of FRS102"). The presentation currency of these financial statements is sterling.

Navyard Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03073842 and the registered address is Naval House, Kings Quay Street, Harwich, Essex, CO12 3JJ.

The Company's parent undertaking Mann Group Limited included the Company in its consolidated financial statements. The consolidated financial statements of Mann Group Limited are prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK General Accepted Accounting Practice) and are available to the public and may be obtained from the Registrar of Companies (England & Wales). In these financial statements, the company is considered to be qualifying entity (for the purpose of this FRS) and has applied the exemptions available under section 1A of FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The following principal accounting policies have been applied:

1.2 Property held for development

Property held for development is stated at the carrying value at the date of redesignation (28 December 2008) as held for development rather than an operating fixed asset. On a historical cost basis the carrying value of the asset would be £1,575,704. Rental income from the property held for development is recognised on an occupancy basis and included in other operating income.

1.3 Going concern

Management have reviewed the Company's financial position along with forecasts. Management have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company continues to adopt the going concern basis in preparing its financial statements.

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NAVYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NAVYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.8 Debtors

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

1.9 Cash and cash equivalents

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

1.10 Creditors

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

1.11 Financial instruments

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

NAVYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Key judgements made by the directors in the preparation of these financial statements (and related areas of estimation uncertainty) is the valuation and classification of the property held for development. The directors review the estimates and underlying assumptions each period to ensure they remain appropriate.

3. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>3,000</u>	<u>2,570</u>

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration. (2016 - £NIL). The Company paid Traminco Limited £80,100 (2016: £52,500) in respect of management services provided by the directors. Traminco Limited is a company under common control for the purposes of FRS 102.

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

NAVYARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Taxation

	2017	2016
	£	£
Corporation tax		
Adjustments in respect of previous periods	-	(30,148)
	<u>-</u>	<u>(30,148)</u>
Group taxation relief	16,237	70,459
	<u>16,237</u>	<u>40,311</u>
Total current tax	<u>16,237</u>	<u>40,311</u>
Deferred tax		
Origination and reversal of timing differences	1,019	1,243
Changes to tax rates	-	406
Adjustment for prior periods	-	2,589
	<u>1,019</u>	<u>4,238</u>
Taxation on profit	<u>17,256</u>	<u>44,549</u>

NAVYARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit before tax	90,356	359,606
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	17,390	71,921
Effects of:		
Capital allowances for year in excess of depreciation	(134)	2,776
Adjustments to tax charge in respect of prior periods	-	(30,148)
Group relief surrendered / (claimed)	(16,237)	(70,459)
Payment / (receipt) for group relief	16,237	70,459
Total tax charge for the year	17,256	44,549

Factors that may affect future tax charges

During the year there was a reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017). A further reduction to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	470,945	384,920
Other debtors	17,851	52,759
Deferred taxation	4,643	5,662
	493,439	443,341

NAVYARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	75,462	72,316
	<u>75,462</u>	<u>72,316</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	67,812	10,440
Amounts owed to group undertakings	91,517	373,475
Amounts owed to other participating interests	200,000	-
Corporation tax	-	37
Other creditors	5,466	699
	<u>364,795</u>	<u>384,651</u>

9. Deferred taxation

	2017 £
At beginning of year	5,662
Utilised in year	(1,019)
At end of year	<u>4,643</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	5,662	9,900
Tax losses carried forward	(1,019)	(4,238)
	<u>4,643</u>	<u>5,662</u>

NAVYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Reserves

Revaluation reserve

The revaluation reserve represents surpluses on the revaluation of fixed assets that are now included as current assets.

Profit and loss account

This includes all the current and prior period retained profits and losses.

11. Contingent liabilities

The company is party to a composite accounting system with its bankers whereby account is taken of the level of bank deposits when charging loan interest and under which the company guarantees the bank borrowings of certain group companies. As at the period end there was a net amount of £NIL (2016: £ 368,484) owed to the bank.

12. Related party transactions

As a wholly owned subsidiary of Mann Group Limited the company is exempt from the requirements of FRS 102 to disclose transactions with the other members of the group headed by Mann Group Limited.

Traminco Limited is a company under common control for the purposes of FRS 102.

The Company paid Traminco Limited £80,100 (2016: £52,500) in respect of management services provided by the directors.

Traminco Limited loaned Navyard Limited £200,000 during the year (2016: NIL). At the year end £200,000 of the loan remained outstanding.

13. Controlling party

The ultimate parent undertaking of this company is BNX Holdings Limited which is registered in Jersey. Mann Group Limited is this company's controlling related party by virtue of its shareholding and the company is included in the consolidated financial statements of that group only. The ultimate controlling related party based on the definitions and requirements of FRS 102 is considered to be AWS Binks as a result of his shareholdings, his beneficial interests under a trust and position on the Board of Directors of the ultimate parent undertaking.