

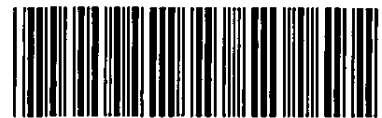
Company Registration No. 04240505

A&P GH 2006 Limited

Report and Financial Statements

15 Months to 31 March 2013

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A&P GH 2006 Limited

Report and financial statements 2013

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A&P GH 2006 Limited

Report and financial statements 2013

Officers and professional advisers

Directors

Atlantic & Peninsula Marine Services Limited
I Carey

Secretary

I Carey

Registered Office

Wagonway Road
Hebburn
Tyne & Wear
United Kingdom
NE31 1SP

Bankers

Santander UK Plc
298 Deansgate
Manchester
M3 4HH

Solicitors

Hill Dickinson LLP
No 1 St Paul's Square
Liverpool
L3 9SJ

Auditor

Deloitte LLP
Chartered Accountants
Newcastle

A&P GH 2006 Limited

Directors' report

The directors present their report and the audited financial statements for the 15 months ended 31 March 2013

On 2 January 2013 the Board approved the change of the Company's accounting reference date from 31 December to 31 March, therefore, the report relates to the period from 1 January 2012 to 31 March 2013

Principal activities and business review

The company is an intermediate holding company of A&P Group Limited. The principal activities of the company are that of central management and administration and the management of ad hoc contracts and projects which fall outwith the normal activities carried out in the group's shipyard facilities. The company also carries the cost of funding legacy defined benefit pension schemes.

During the period the company continued to support the Royal Fleet Auxiliary ("RFA") under its cluster contract where we successfully maintain a RFA cluster on a global reach basis.

The results for the period record a loss before tax of £2,300,200 (2011: loss of £1,843,423) largely due to the funding and administration costs of £1.8m (2011: £1.3m) of two defined benefit pension schemes both of which are closed to future accrual and the provision against an intercompany receivable of £1,500,000 (2011: £Nil).

The directors of the company are satisfied with the results for the year. The future of the company is dependent on its subsidiaries, and the Directors consider that their prospects are satisfactory.

Key performance indicators

The company measures KPIs on a monthly basis, as part of its internal control processes. They are considered under the following four headings:

- Safety, quality and the environment
- People, productivity and facilities
- Financial performance
- Customers and markets

Given the size, structure and nature of the business, the company's directors are of the opinion that additional disclosures regarding the use of KPIs is not necessary for an understanding of the development, performance and position of the business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the competition from other domestic and overseas facilities, the volatile and cyclical nature of the business, and maintaining the current good relationships with employees at all levels within the group. The company also considers its successful relationships with its subcontractor base is a key part of its strategy and will continue to develop these further.

A&P GH 2006 Limited

Directors' report (continued)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, foreign exchange risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no equity investments.

Foreign exchange risk

The company has exposure to foreign exchange risk as some contracts are invoiced in foreign currency. Where this is the case, forward contracts are taken out to mitigate the risk of fluctuating exchange rates.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to a counterparty is subject to a case by case assessment by the board. For large projects, the company negotiates payment profiles which are at worst cash neutral.

Liquidity risk

The company has sufficient available funds and agreed banking facilities for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances. Interest bearing liabilities are largely limited to agreements which are fixed for the duration of the facility. Where facilities are linked to base rates, the directors will review on a regular basis to ensure that the company's exposure to interest rate movements is limited. The directors will revisit the appropriateness of interest rate risk management policy should the company's operations change in size or nature.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company A&P Group Limited. The directors have received confirmation that A&P Group Limited intends to support the company for at least one year after these financial statements are signed. Note 1 to the financial statements includes further information in respect of the directors' decision to prepare the financial statements on a going concern basis.

Dividends

No dividends were paid or proposed (2011: £nil).

A&P GH 2006 Limited

Directors' report (continued)

Directors

Atlantic & Peninsula Marine Services Limited
I Carey

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware,
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves 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

Deloitte LLP was appointed auditor during the current period following the resignation of PriceWaterhouseCoopers LLP. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board



I Carey
Director

11 December 2013

A&P GH 2006 Limited

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 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 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, and
- 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 with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of A&P GH 2006 Limited

We have audited the financial statements of A&P GH 2006 Limited for the 15 month period ended 31 March 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the period 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 matters prescribed in the Companies Act 2006


In our opinion the information in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of A&P GH 2006 Limited (continued)

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



Paul Feechan (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle, United Kingdom

11 December 2013

A&P GH 2006 Limited

Profit and loss account Period ended 31 March 2013

| | | 15 month period ended 31 March 2013 £ | Year ended 31 December 2011 £ |
|--|-------|---|--|
| | Notes | | |
| Turnover | 2 | 8,317,677 | 10,719,348 |
| Cost of sales | | (7,091,427) | (9,236,781) |
| Gross profit | | <u>1,226,250</u> | <u>1,482,567</u> |
| Administrative expenses | | | |
| Excluding restructuring costs | | (1,865,409) | (3,047,482) |
| Amounts written off loan to subsidiary | | (1,500,000) | - |
| Restructuring costs | 4 | (160,558) | (292,088) |
| Total administrative expenses | | <u>(3,525,967)</u> | <u>(3,339,570)</u> |
| Operating loss | | <u>(2,299,717)</u> | <u>(1,857,003)</u> |
| Interest receivable and similar income | 3 | 6,266 | 13,580 |
| Loss on ordinary activities before taxation | 4 | <u>(2,293,451)</u> | <u>(1,843,423)</u> |
| Tax on loss on ordinary activities | 6 | (6,749) | - |
| Loss for the financial period | 13 | <u><u>(2,300,200)</u></u> | <u><u>(1,843,423)</u></u> |

All of the activities of the company are continuing

The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

A&P GH 2006 Limited

Balance sheet 31 March 2013

| | Notes | As at 31 March 2013 £ | As at 31 December 2011 £ |
|--|-------|--------------------------------|-----------------------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 65,809 | 268,193 |
| Investments | 8 | <u>1,797,321</u> | <u>1,797,321</u> |
| | | <u>1,863,130</u> | <u>2,065,514</u> |
| Current assets | | | |
| Debtors | 9 | 3,361,953 | 3,794,109 |
| Cash at bank and in hand | | <u>956,997</u> | <u>1,370,569</u> |
| | | <u>4,318,950</u> | <u>5,164,678</u> |
| Creditors: amounts falling due within one year | 10 | <u>(16,148,316)</u> | <u>(14,887,745)</u> |
| Net current liabilities | | <u>(11,829,366)</u> | <u>(9,723,067)</u> |
| Total assets less current liabilities | | <u>(9,966,236)</u> | <u>(7,657,553)</u> |
| Creditors: amounts falling due after more than one year | 11 | <u>-</u> | <u>(8,483)</u> |
| Net liabilities | | <u>(9,966,236)</u> | <u>(7,666,036)</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 1,000 | 1,000 |
| Profit and loss account | 13 | <u>(9,967,236)</u> | <u>(7,667,036)</u> |
| Total shareholders' funds | 14 | <u>(9,966,236)</u> | <u>(7,666,036)</u> |

The financial statements of A&P GH 2006 Limited, registered number 04240505 were approved by the Board of Directors on 11 December 2013

Signed on behalf of the Board of Directors



I Carey
Director

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

1. Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The validity of the going concern basis depends upon the continuing support of the parent company and the ability of the company to trade profitably through its principal activity. The ultimate parent company, A&P Group Limited, has expressed its willingness to continue to support the company.

The directors, having considered the company's forecast for the foreseeable future and having assessed the responses of the directors of A&P Group Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of A&P Group Limited and A&P GH 2006 Limited to continue as a going concern, and on this basis the directors consider it appropriate to prepare the company's financial statements on a going concern basis.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The company and its subsidiaries are consolidated in the financial statements of its immediate parent undertaking, A&P Group Limited.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over their expected useful economic lives. The annual rates used for this purpose are as follows:

Plant and machinery 2½ - 33⅓%

Fixed asset investments

Fixed asset investments are stated at cost less provisions made for impairment in value.

Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

A&P GH 2006 Limited

Notes to the accounts

Period ended 31 March 2013

1 Accounting policies (continued)

Long term contract balances

Amounts recoverable on contracts are shown at valuation, less amounts invoiced or received. Valuation includes the cost of materials and direct labour, together with attributable profit, estimated to be earned to date. Direct labour hours are used to determine the level of completion for routine and normal ship repair contracts. In circumstances where application of the above policy would unduly accelerate or delay the recognition of profits materially, other direct costs are taken into account. Full provision is made for any known or anticipated losses. The excess of payments received over amounts recorded as turnover is classified under creditors within one year as payments on account.

Turnover

Turnover comprises the sales value of goods and services supplied in the normal course of business. Turnover includes the value of contracts in progress. This is recognised based on the level of completion of the contracts to ensure that margin is recognised evenly over the contract life. All sales are shown exclusive of value added tax.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is with the exception of deferred taxation assets, which are recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on an undiscounted basis.

Pension scheme arrangements

The company participates in two group defined benefit pension schemes which are funded by contributions made by the company. The assets of the group defined benefit scheme are held separately from those of the company in independently administered funds. As the company is unable to identify its share of the assets and liabilities of the group schemes, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions are charged to the profit and loss account in the period to which they relate.

The company participates in a group wide defined contribution scheme in respect of pension costs and post retirement benefits. The amount charged to the profit and loss account is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Cash flow statement

The company is a wholly owned subsidiary and is exempt under the terms of Financial Reporting Standard Number 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement.

Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard Number 8 'Related party disclosures' and has not disclosed transactions with companies that are part of the A&P Group Limited group of companies. The ultimate holding company is Tokenhouse Limited, a company incorporated in the Isle of Man which is controlled by the Billown 1997 Settlement Trust.

A&P GH 2006 Limited

Notes to the accounts

Period ended 31 March 2013

2. Turnover

The company's turnover, all of which originated in the UK, is derived from one class of business being ship repair and marine engineering to customers in the UK

3 Interest receivable and similar income

| | 15 month period ended 31 March 2013 £ | Year ended 31 December 2011 £ |
|-------------------|---|--|
| Investment income | 6,266 | 13,580 |

4. Loss on ordinary activities before tax

Loss on ordinary activities before taxation is stated after (crediting)/charging

| | 15 month period ended 31 March 2013 £ | Year ended 31 December 2011 £ |
|--|---|--|
| (Profit)/loss on disposal of tangible fixed assets | (355) | 767 |
| Depreciation of tangible fixed assets | | |
| - owned assets | 198,125 | 96,706 |
| - leased assets | - | 85,315 |
| Restructuring costs | 160,558 | 292,088 |
| Auditor's remuneration | | |
| - Audit services | 38,600 | 6,300 |
| - Other services – taxation | 38,620 | 2,835 |
| Operating leases | | |
| - Other | - | 11,898 |
| Provision against intercompany | 1,500,000 | - |

At the year end the directors reassessed the recoverability of all intercompany receivables. This resulted in a provision of £1,500,000 being required against an intercompany receivable in one of its subsidiary undertakings.

During the prior year the company implemented a restructuring programme. Total restructuring costs in the period of £160,558 (2011: £292,088) were incurred as a result.

A&P GH 2006 Limited

Notes to the accounts

Period ended 31 March 2013

5. Staff costs

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

| | 15 month period ended 31 March 2013 No. | Year ended 31 December 2011 No. |
|---|---|--|
| Average number of persons employed | | |
| Administration | 6 | 8 |
| | £ | £ |
| Staff costs during the year | | |
| Wages and salaries | 849,687 | 844,227 |
| Social security costs | 102,192 | 103,388 |
| Pension costs (note 15) | 101,383 | 115,830 |
| | <u>1,053,262</u> | <u>1,063,445</u> |

Staff costs recharged by other group companies in relation to work on the company's contracts are included within cost of sales and are not included in the figures above

Certain staff costs which are borne by the company are recharged to its subsidiaries

| | £ | £ |
|--|----------------|----------------|
| Directors' remuneration | | |
| Aggregate emoluments | 203,940 | 184,427 |
| Sums paid to third parties in respect of directors' services (note 16) | 500,000 | 379,762 |
| Company contributions to money purchase pension schemes | 23,175 | 20,441 |
| Compensation for loss of office | - | 189,818 |
| | <u>727,115</u> | <u>774,448</u> |
| Emoluments payable to the highest paid director are as follows | | |
| Aggregate emoluments | 203,940 | 171,600 |
| Company pension contributions to money purchase schemes | 23,175 | 18,250 |
| | <u>227,115</u> | <u>189,850</u> |

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

6. Tax on profit on ordinary activities

a) Analysis of tax charge in the period

| | 15 month period ended 31 March 2013 £ | Year ended 31 December 2011 £ |
|---|---|--|
| Current tax | | |
| UK corporation tax based on the loss for the period | - | - |
| Adjustment in respect of previous years | 6,749 | - |
| Total current tax | <u>6,749</u> | <u>-</u> |

b) Factors affecting tax charge for the period

The tax assessed for the period is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.4% (2011 26.5%). The differences are explained below

| | 15 month period ended 31 March 2013 £ | Year ended 31 December 2011 £ |
|--|---|--|
| Loss on ordinary activities before tax | (2,293,451) | (1,843,423) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 24.4% (2011 26.5%) | (559,602) | (488,507) |
| Effects of | | |
| Expenses not deductible for tax purposes | 4,773 | 5,426 |
| Provision against intercompany receivables not deductible | 366,000 | - |
| Accelerated capital allowances | 27,795 | 23,145 |
| Other timing differences | (113,614) | (194) |
| Adjustment in respect of prior years | 6,749 | - |
| Group relief not paid | 274,648 | (460,130) |
| Current tax charge for the period | <u>6,749</u> | <u>-</u> |

c) Factors affecting future tax charges

The main rate of corporation tax in the UK reduced from 26% to 24% with effect from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012 and this was substantively enacted on 3 July 2012. Accordingly, the Company's losses for this accounting period are taxed at an effective rate of 24.4% and deferred taxation has been calculated based on a rate of 23%.

In addition to the changes in the rates of corporation tax disclosed above, further changes to the UK corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

6. Tax on profit on ordinary activities (continued)

d) Deferred tax

The amounts of deferred tax asset unrecognised in the financial statements at the year end were as follows

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|--------------------------|--------------------------------|-----------------------------------|
| Accelerated depreciation | 56,367 | 36,425 |
| Other timing differences | 20,855 | 6,653 |
| Losses | 89,352 | 82,122 |
| | <u>166,574</u> | <u>125,200</u> |

The assets have not been recognised since, in the opinion of the directors, it is more likely than not that they will be irrecoverable in the short term

7. Tangible fixed assets

| | Plant and machinery £ |
|---------------------------------|-----------------------------|
| Cost | |
| At 1 January 2012 | 741,299 |
| Disposals | (37,570) |
| At 31 March 2013 | <u>703,729</u> |
| Accumulated depreciation | |
| At 1 January 2012 | 473,106 |
| Charge for the period | 198,125 |
| Disposals | (33,311) |
| At 31 March 2013 | <u>637,920</u> |
| Net book value | |
| At 31 March 2013 | <u>65,809</u> |
| At 31 December 2011 | <u>268,193</u> |

Included in plant and machinery at 31 March 2013 are leased assets with a net book value of £nil (2011 £139,282)

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

8. Fixed asset investments

| Cost and net book value | Interests in subsidiary undertakings |
|-------------------------------------|--------------------------------------|
| At 1 January 2012 and 31 March 2013 | <u>1,797,321</u> |

The principal subsidiaries, all of whom are registered in England and Wales, in which the company holds 100% of the equity share capital, are as follows

| Undertaking | Principal activity | Description of shares held |
|---|---|----------------------------|
| A&P Falmouth Limited* | Ship repair and general engineering services | Ordinary £1 shares |
| A&P Tyne Limited* | Ship repair and general engineering services | Ordinary £1 shares |
| A&P Tees Limited* | Ship repair and general engineering services | Ordinary £1 shares |
| Marne Designs Limited** | Marne Design and fabrication | Ordinary £1 shares |
| The Falmouth Docks and Engineering Company (formed under the Falmouth Docks Act 1959) | Owner and manager of wharves and dry docks, cargo handling and services | Ordinary £1 shares |
| A&P Ship Repairers Limited | Intermediate holding company | Ordinary £1 shares |
| A&P Shipbuilders Limited* | Property ownership | Ordinary £1 shares |
| A & P Wallsend Limited | Dormant | Ordinary £1 shares |
| Hydropower Services Limited | Dormant | Ordinary £1 shares |
| A&P Birkenhead Properties Limited | Dormant | Ordinary £1 shares |
| A&P Southampton Limited | Dormant | Ordinary £1 shares |
| A&P Defence Limited | Dormant | Ordinary £1 shares |

* Investment held directly by A&P Ship Repairers Limited

** Investment held directly by The Falmouth Docks and Engineering Company

A full listing of all subsidiary undertakings can be obtained from the company's registered office

The directors believe that the carrying value of the investments is supported by their underlying net assets

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

9 Debtors

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|------------------------------------|--------------------------------|-----------------------------------|
| Trade debtors | 48,915 | - |
| Amounts recoverable on contracts | 914,284 | 936,286 |
| Amounts owed by group undertakings | 2,240,439 | 2,675,230 |
| Prepayments | 14,790 | 110,677 |
| Other debtors | 143,525 | 71,916 |
| | <u>3,361,953</u> | <u>3,794,109</u> |

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

10. Creditors: amounts falling due within one year

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|--|--------------------------------|-----------------------------------|
| Trade creditors | 895,084 | 780,580 |
| Obligations under finance leases (note 11) | - | 57,442 |
| Amounts owed to group undertakings | 14,089,529 | 11,974,080 |
| Taxation and social security | 110,205 | 62,736 |
| Amounts owed to related parties (note 16) | - | 124,120 |
| Accruals | 1,053,498 | 1,888,787 |
| | <u>16,148,316</u> | <u>14,887,745</u> |

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

Finance leases are secured against the asset to which they relate

A&P GH 2006 Limited

Notes to the accounts Period ended 31 March 2013

11. Creditors: amounts falling due after more than one year

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|----------------------------------|--------------------------------|-----------------------------------|
| Obligations under finance leases | - | 8,483 |

The net finance lease obligations to which the company is committed are

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|-------------------------------|--------------------------------|-----------------------------------|
| In one year or less (note 10) | - | 57,442 |
| Between one and two years | - | 8,483 |
| | - | 65,925 |

12. Called up share capital

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|---------------------------------------|--------------------------------|-----------------------------------|
| Authorised | | |
| 100,000 ordinary shares of £0.01 each | 1,000 | 1,000 |
| Allotted and fully paid up | | |
| 100,000 ordinary shares of £0.01 each | 1,000 | 1,000 |

13. Profit and loss account

| | £ |
|-------------------------------|-------------|
| At 1 January 2012 | (7,667,036) |
| Loss for the financial period | (2,300,200) |
| At 31 March 2013 | (9,967,236) |

14. Reconciliation of movements in shareholders' funds

| | As at 31 March 2013 £ | As at 31 December 2011 £ |
|-------------------------------|--------------------------------|-----------------------------------|
| Loss for financial period | (2,300,200) | (1,843,423) |
| Opening shareholders' deficit | (7,666,036) | (5,822,613) |
| Closing shareholders' deficit | (9,966,236) | (7,666,036) |

A&P GH 2006 Limited

Notes to the accounts

Period ended 31 March 2013

15. Pension arrangements

The company participates in the A&P Pension Scheme and the A&P Ship Repairers Pension Scheme which are defined benefit group pension schemes. It is not possible to identify the share of the underlying assets and liabilities in the schemes relating to individual participating employers. Consequently, in accordance with FRS 17 the company accounts for its liability to the fund as if they were defined contribution schemes and the charge to profit and loss account represents the actual contribution paid by the company. The pension cost for the period was £1,840,000 (2011 £1,280,829) representing payments made in accordance with the deficit recovery plan agreed with the trustees of the pension schemes, and the agreed contributions for the next 68 months is £5,624,000.

An updated valuation of the scheme at 31 March 2013 carried out by Capita, Fellow of the Institute of Actuaries using the projected unit method, indicated that the schemes were 75.8 per cent and 103.5 per cent funded respectively.

The company participates in a group wide defined contribution scheme. Contributions are charged to the profit and loss account in the period in which the liability arises. The contributions during the period were £101,383 (2011 £115,830). Amounts owed to the scheme at the period end were £20,758 (2011 £26,610) and are included within accruals.

16. Related party transactions

During the year the company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties, nature of these transactions and their total value is shown below.

| | 2013 | | 2011 | |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
| | Value of transaction £ | Payable at the year end £ | Value of transaction £ | Payable at the year end £ |
| Services and supplies from A&P Ports & Properties Limited | 36,396 | 36,396 | 124,120 | 124,120 |
| Transactions with Atlantic & Peninsula Services Limited fees payable in respect of directors' services | 500,000 | 33,333 | 333,333 | 233,333 |
| Transactions with Minrela Limited fees payable in respect of directors' services | - | - | 23,214 | - |
| Transactions with 'Melrone' fees payable in respect of directors' services | - | - | 23,214 | - |

A&P Ports & Properties Limited is considered to be a related party of the A&P Group Limited by virtue of common influence and control of the two groups during the year.

Until 25 February 2011, Minrela Limited was considered a related party of the A&P Group Limited group by virtue of one of its directors, P E Bailey being a director and shareholder of the company, and A E Griffiths being a director of the company.

Until 25 February 2011, 'Melrone' was considered a related party by virtue of Mr T J Allard being a partner in the business.