Company Registration No. 04240505

A&P GH 2006 Limited

Annual Report and Financial Statements

For the year ended 31 March 2014

A&P GH 2006 Limited

Annual Report and financial statements for the year ended 31 March 2014

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A&P GH 2006 Limited

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Officers and professional advisers

Directors

Atlantic & Peninsula Marine Services Limited
I Carey

Company Secretary

I Carey

Registered Office

c/o A&P Tyne Limited
Wagonway Road
Hebburn
Tyne and 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 and Statutory Auditor
Newcastle upon Tyne

A&P GH 2006 Limited

Strategic report

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 year 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 year record a profit before tax of £1,123,708 (2013: loss of £2,293,451) largely due to a dividend received from a subsidiary company of £2,000,000 (2013: £nil) off-set by the funding and administration costs of £2.2m (2013: £1.8m) of two defined benefit pension schemes both of which are closed to future accrual and the provision against an intercompany receivable of £nil (2013: £1,500,000).

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.

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 may be taken out to mitigate the risk of fluctuating exchange rates.

Strategic report (continued)

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.

By order of the board

I Carey
Director
Date 25 July 2014

A&P GH 2006 Limited

Directors' report

The directors present their Annual Report and the audited financial statements for the year ended 31 March 2014.

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 year ended 31 March 2014 and the comparative period from 1 January 2012 to 31 March 2013.

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.

Dividends

No dividends were paid or proposed (2013: £nil).

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 year 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 auditor is 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 auditor is 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 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
Date 25 July 2014

A&P GH 2006 Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 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 year. 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; 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 and disclose 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 year ended 31 March 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. 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, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 March 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 matters prescribed in the Companies Act 2006

In our opinion the information in the directors' report for the financial year 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.

Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle, United Kingdom
29/07/2014

A&P GH 2006 Limited

Profit and loss account
For the year ended 31 March 2014

	Notes	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Turnover	2	11,066,981	8,317,677
Cost of sales		(9,714,244)	(7,091,427)
Gross profit		1,352,737	1,226,250
Administrative expenses			
Excluding restructuring costs		(2,237,789)	(1,865,409)
Amounts written off loan to subsidiary		-	(1,500,000)
Restructuring costs	4	-	(160,558)
Total administrative expenses		(2,237,789)	(3,525,967)
Operating loss		(885,052)	(2,299,717)
Investment income from subsidiary undertaking		2,000,000	-
Interest receivable and similar income	3	8,760	6,266
Profit / (loss) on ordinary activities before taxation	4	1,123,708	(2,293,451)
Tax on profit / (loss) on ordinary activities	6	-	(6,749)
Profit / (loss) for the financial year / period	12, 13	1,123,708	(2,300,200)

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
As at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	7	4,331	65,809
Investments	8	1,797,321	1,797,321
		1,801,652	1,863,130
Current assets			
Debtors	9	6,050,717	3,361,953
Cash at bank and in hand		1,611,988	956,997
		7,662,705	4,318,950
Creditors: amounts falling due within one year	10	(18,306,885)	(16,148,316)
Net current liabilities		(10,644,180)	(11,829,366)
Total assets less current liabilities being net liabilities		(8,842,528)	(9,966,236)
Capital and reserves			
Called-up share capital	11	1,000	1,000
Profit and loss account	12	(8,843,528)	(9,967,236)
Total shareholder's deficit	13	(8,842,528)	(9,966,236)

The financial statements of A&P GH 2006 Limited, (registered number 04240505), pages 8 to 19 were approved and authorised for issue by the Board of Directors on 25 July 2014.

Signed on behalf of the Board of Directors

I Carey
Director

Notes to the financial statements
For the year ended 31 March 2014

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 financial statements
For the year ended 31 March 2014

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 year 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 year 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.

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

	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Investment income	8,760	6,266

4. Profit / (loss) on ordinary activities before tax

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

	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Profit on disposal of tangible fixed assets	(12,995)	(355)
Depreciation of tangible fixed assets		
- owned assets	55,307	198,125
Restructuring costs	-	160,558
Fees payable to the Company's auditors for the audit of the Company's annual accounts	59,893	38,600
- Other services – pensions	30,000	-
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 £nil (2013: £1,500,000) being required against an intercompany receivable in one of its subsidiary undertakings.

During the prior year the company concluded a restructuring programme. Total restructuring costs in the year of £nil (2013: £160,558) were incurred as a result.

A&P GH 2006 Limited

Notes to the financial statements
For the year ended 31 March 2014

5. Staff costs

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

	Year ended 31 March 2014 No.	15 month period ended 31 March 2013 No.
Average number of persons employed		
Administration	6	6

	£	£
Staff costs during the year		
Wages and salaries	566,157	849,687
Social security costs	74,637	102,192
Pension costs (note 14)	82,251	101,383
	723,045	1,053,262

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	176,739	203,940
Sums paid to related parties in respect of directors' services (note 15)	400,000	500,000
Company contributions to money purchase pension schemes	17,504	23,175
	594,243	727,115
Emoluments payable to the highest paid director are as follows:		
Aggregate emoluments	176,739	203,940
Company pension contributions to money purchase schemes	17,504	23,175
	194,243	227,115

6. Tax on profit / (loss) on ordinary activities

a) Analysis of tax charge in the year / period

	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Current tax:		
UK corporation tax based on the profit / (loss) for the year	-	-
Adjustment in respect of previous years / periods	-	6,749
Total current tax	-	6,749

b) Factors affecting tax charge for the year / period

The tax assessed for the year is lower (2013: higher) than the standard rate of corporation tax in the UK of 23% (2013: 24.4%). The differences are explained below:

	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Profit / (loss) on ordinary activities before tax	1,123,708	(2,293,451)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2013: 24.4%)	258,452	(559,602)
Effects of:		
Expenses not deductible for tax purposes	-	4,773
Income not assessable to taxation	(460,000)	-
Provision against intercompany receivables not deductible	-	366,000
Accelerated capital allowances	(1,743)	27,795
Other timing differences	33,567	(113,614)
Adjustment in respect of prior years / periods	-	6,749
Group relief not paid	169,724	274,648
Current tax charge for the year / period	-	6,749

c) Factors affecting future tax charges

Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Deferred tax balances have been revalued to the lower rate of 20% in these accounts. To the extent that the deferred tax reverses before 1 April 2015 then the impact on the net unrecognised deferred tax asset will be reduced.

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:

	2014 £	2013 £
Accelerated depreciation	47,500	56,367
Other timing differences	44,317	20,855
Losses	77,698	89,352
	169,515	166,574

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 April 2013	703,729
Disposals	(96,550)
At 31 March 2014	607,179
Accumulated depreciation	
At 1 April 2013	637,920
Charge for the year	55,307
Disposals	(90,379)
At 31 March 2014	602,848
Net book value	
At 31 March 2014	4,331
At 31 March 2013	65,809

Notes to the financial statements
For the year ended 31 March 2014

8. Fixed asset investments

Cost and net book value	**Interests in subsidiary undertakings**
At 1 April 2013 and 31 March 2014	1,797,321

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
Marine Designs Limited**	Marine 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.

9. Debtors

	2014	2013
	£	£
Trade debtors	414,248	48,915
Amounts recoverable on contracts	487,148	914,284
Amounts owed by group undertakings	5,049,932	2,240,439
Other debtors	43,205	143,525
Prepayments	56,184	14,790
	6,050,717	3,361,953

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

10. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	701,303	895,084
Amounts owed to group undertakings	15,835,056	14,089,529
Taxation and social security	146,666	110,205
Accruals	1,623,860	1,053,498
	18,306,885	16,148,316

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

A&P GH 2006 Limited

Notes to the financial statements
For the year ended 31 March 2014

11. Called up share capital

	2014	2013
	£	£
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

12. Profit and loss account

	£
At 1 April 2013	9,967,236
Profit for the financial year	(1,123,708)
At 31 March 2014	8,843,528

13. Reconciliation of movements in shareholder's deficit

	2014	2013
	£	£
Profit/(loss) for financial year / period	1,123,708	(2,300,200)
Opening shareholder's deficit	(9,966,236)	(7,666,036)
Closing shareholder's deficit	(8,842,528)	(9,966,236)

14. 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 year was £1,582,000 (2013: £1,840,000) 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 56 months is £4,742,000.

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 percent funded respectively.

The company participates in a group wide defined contribution scheme. Contributions are charged to the profit and loss account in the year in which the liability arises. The contributions during the year were £82,251 (2013: £101,383). Amounts owed to the scheme at the year end were £17,670 (2013: £20,758) and are included within accruals.

15. 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

	2014		2013	
	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
Transactions with Atlantic & Peninsula Marine Services Limited:				
Fees payable in respect of directors' services	400,000	-	500,000	33,333
Fees receivable in respect of directors services	89,979	-	45,000	-

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.