

Company Registration No. 04421657

CONDOR UK HOLDINGS LIMITED

Annual Report and Financial Statements

Period ended 26 March 2022

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CONDOR UK HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 MARCH 2022

CONTENTS	Page
Officers and Professional Advisor	3
Strategic Report	4
Directors' Report	5-7
Independent Auditors' Report	8-10
Consolidated Profit and Loss Account	11
Consolidated Statement of Comprehensive Income	11
Consolidated and Company Balance Sheets	12
Consolidated and Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15-36

CONDOR UK HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26
MARCH 2022**

Officers and Professional Advisor

DIRECTORS

A Kelso
J Napton
R Kew

SECRETARY

S Broomfield

REGISTERED OFFICE

Condor House
New Harbour Road South
Hamworthy
Poole
Dorset
BH15 4AJ

INDEPENDENT AUDITORS

PricewaterhouseCoopers CI LLP
Chartered Accountants and Registered Auditors
37 Esplanade
St Helier
Jersey
JE1 4XA

CONDOR UK HOLDINGS LIMITED

PERIOD ENDED 26 MARCH 2022

Strategic Report

The Strategic report for the period ended 26 March 2022

The Directors present their strategic report for Condor UK Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the period from the 28 March 2021 to 26 March 2022.

Development of the Strategy

The long term strategy of the Parent Group (MEIF II Channel Islands Transport Holdings Limited and related subsidiaries) ("the wider Group") continues to be to provide lifeline Ferry services to the Channel Islands.

The Group strategy remains focused on delivering value for money port and vessel maintenance agency services to Condor Limited.

The Group also has a French logistics business ("Morvan SAS Group"), which provides the transportation of freight between France and the Channel Islands.

Business Review and Execution of the Strategy within the Period

The port agency businesses within the Group continued to deliver good operational standards while focusing on providing value for money services to Condor Limited. However, due to the impact of Covid-19 (see 'Directors' Report – Going Concern' for further details) the Group produced an Operating loss on ordinary activities of £249,485 (period ended 27 March 2021: Loss of £1,079,904). There continues to be a positive net current assets position of £5,618,009 as at the March 2022 period end (£4,521,586 as at the March 2021 period end).

There were intercompany amounts due to Condor Limited which were written off in the period, as in the opinion of the Directors, these would not be settled in the foreseeable future (see note 7 and 23).


There are no key performance indicators related to Condor UK Holdings Limited.

Risks and Uncertainties

The wider Group has a Term Loan, Revolver Facility and Capex Facility (the "Facilities") which require certain covenants to be passed in March and September each year. The covenants for September 2020 and March 2021 were waived by the lenders and the covenants for September 2021, March 2022 and September 2022 have been passed due to a recovery in the passenger business of wider Group. If trading continues as expected, the Directors of the wider Group project that the March 2023 covenant will be passed.

There is also risk around the impact of Covid-19 and refinancing the wider Groups facilities (see 'Directors Report - Going Concern' for further details).

Approved by the Board of Directors and signed on its behalf by



J Napton
Director

Condor House
New Harbour Road South
Hamworthy, Poole
Dorset, BH15 4AJ
16 December 2022

CONDOR UK HOLDINGS LIMITED

PERIOD ENDED 26 MARCH 2022

Directors' Report

The Directors have pleasure in submitting their consolidated financial statements of the Company and the Group for the period from 28 March 2021 to 26 March 2022. The comparative figures are for the period from 29 March 2020 to 27 March 2021.

Incorporation

The Company was incorporated as a private company on 22 April 2002 in the United Kingdom. The Company is domiciled in the United Kingdom.

Principal Activities and Developments

The principal activity of the Company is that of an investment holding company.

The Group provides agency support services to Condor Limited as well as operating a French logistics business (see Strategic Report on page 4).

Going Concern

The impact of passenger travel restrictions in Guernsey, Jersey and France due to COVID-19 during the period presented certain risks and uncertainties for the passenger business but these restrictions were all removed by 31 March 2022. Subsequently, the passenger volumes have recovered close to pre COVID levels for July - September 2022 and the Directors believe that the passenger volumes will be at full recovery for FY23.

The wider Group's trading forecasts and projections also take into account downside case scenarios which show that the wider Group is still able to continue to operate within the level of its current Term Loan, Revolver Facility and Capex Facility (the "Facilities") for at least twelve months after the approval of the consolidated financial statements. The Director's intend to refinance the wider Group's Facilities, which are currently due to expire in September 2023. Please see note 3 of the financial statements for the Directors' assessment of going concern.

Taking all of the above matters into account, the Directors have a reasonable expectation that the wider Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Business Review

The Group consists of the following companies:

- Morvan SAS Group, comprising of three separate legal entities which are all registered in France and provide a travel agency and freight forwarding service
- Condor Limited (UK) acts as a holding company for Condor Ferries Limited and Condor Marine Services Limited
- Condor Ferries Limited which provides a travel agency, management service and port handling services to Condor Limited
- Condor Marine Services Limited which provides ship management services to Condor Limited
- Condor Logistics Limited, Condor Port Agencies Limited and Enterprise Express Limited UK which are all dormant.

The business remains focused on ensuring best service at optimal value for each of the agency companies.

Post Balance Sheet Events

The wider Group chartered the Condor Voyager (formerly Normandie Express) from Brittany Ferries (a minority shareholder of the wider Group), for an initial period of one year from 27 May 2021 but this has now been extended to 26th May 2024.

On 8th December 2022, one of the wider Groups' vessels, Commodore Goodwill, was involved in a collision with a fishing vessel which resulted in the fishing vessel sinking with three crew members onboard. The wider Group is fully cooperating with the relevant authorities and all investigations into the incident at present.

CONDOR UK HOLDINGS LIMITED

PERIOD ENDED 26 MARCH 2022

Directors' Report (continued)

Financial Risk Management Processes

Risks and opportunities were regularly and continuously reviewed by management, and appropriate procedures and actions then implemented in order to minimise risk and/or maximise potential.

The Group used appropriate management tools and reports to monitor financial and operational performance. These tools also identify future trends and expectations, thereby serving to facilitate necessary and appropriate management action.

Performance Indicators

There are no key performance indicators related to Condor UK Holdings Limited. The Group is focused primarily on providing agency services to the principle operating company, Condor Limited.

Results and Dividends

The Group's results for the period are shown on page 11. No dividend has been declared for the period (27 March 2021: £Nil).

There were intercompany amounts due to Condor Limited which were written off in the period, as in the opinion of the Directors, these would not be settled in the foreseeable future (see note 7 and 23).

Directors and their Interests

The present membership of the Board is set out on page 3. No Director had any disclosable beneficial interest in the shares of the Company or the Group during the period.

Credit and Liquidity Risk Management

The wider Group has implemented policies that require appropriate credit checks on potential customers before sales are made.

Price Risk

Price within a relatively fixed and static principal trading environment will always represent a financial risk or opportunity. The wider Group uses commercial activity monitoring tools and financial KPIs were used to monitor and assess exposure and performance levels.

Research and Development

The wider Group does not engage in any research and development activities.

Directors Indemnity Insurance

The wider Group provides third party indemnity insurance for directors and officers.

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee Involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Communication with all employees continues through regular newsletters and meetings with line management.

CONDOR UK HOLDINGS LIMITED
PERIOD ENDED 26 MARCH 2022

Directors' Report (continued)

Statement of Directors' Responsibilities

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

The Companies Act 2006 requires the Directors to prepare financial statements for each financial period. Under that Act, the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Standards (United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and applicable law). Under the Companies Act 2006, 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 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 Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors


Each person 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 and Group's auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company and Group's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers CI LLP have expressed their willingness to continue in office and a resolution concerning their re-appointment is to be proposed at a board meeting before the end of March 2023.

Approved by the Board of Directors and signed on its behalf by:


J Napton
Director
Condor House
New Harbour Road South
Hamworthy
Poole
Dorset
BH15 4AJ
16 December 2022

Independent auditors' report to the members of Condor UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Condor UK Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 26 March 2022 and of the group's profit and the group's cash flows for the period from 28 March 2021 to 26 March 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 26 March 2022; the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the group's and the company's ability to continue as a going concern.

We draw attention to note 3 in the consolidated financial statements, which details that the wider Condor Group's (the "wider Group") 5 year Term Loan, Revolver Facility and Capex Facility (the "Facilities") are due to expire on 29 September 2023. *Based on the wider Group's trading forecasts and projections, along with preliminary discussions with the lenders, the Directors are confident that they will be able to refinance the wider Group's Facilities. The Directors intend to commence the formal refinancing in early 2023 and believe the refinancing will be completed within the required timescale. However, the ability to successfully refinance the Facilities involves factors outside the direct control of the business, such as future economic uncertainty.*

These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 26 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance of the group as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- checking the minutes of meetings of the board of directors for additional matters relevant to the audit;
- testing the disclosures made in the financial statements for compliance with the requirements of the Companies Act 2006;
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of the business rationale for any significant or unusual transactions identified as being outside the normal course of business;
- performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of the business rationale for any significant or unusual transactions identified as being outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

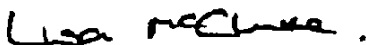
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Lisa McClure (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
16 December 2022

CONDOR UK HOLDINGS LIMITED

Consolidated Profit and Loss Account

For the period from 28 March 2021 to 26 March 2022

	Notes	For the period 28 March 2021 to 26 March 2022 £	For the period 29 March 2020 to 27 March 2021 £
Turnover	5	11,367,047	9,259,146
Cost of Sales		<u>(1,751,349)</u>	<u>(2,629,693)</u>
Gross Profit		9,615,698	6,629,453
Other Income	5	438,414	1,004,110
Administrative expenses		<u>(10,303,597)</u>	<u>(8,713,467)</u>
Operating Loss on ordinary activities		(249,485)	(1,079,904)
Income from write off of intercompany balances	7	1,361,554	(202,719)
Operating Profit/(Loss) on ordinary activities before taxation	6	<u>1,112,069</u>	<u>(1,282,623)</u>
Tax on Profit on ordinary activities	10	-	774
Profit/(Loss) for the Financial Period		<u>1,112,069</u>	<u>(1,281,849)</u>

All results derive from continuing operations.

Consolidated Statement of Comprehensive Income

	28 March 2021 to 26 March 2022 £	29 March 2020 to 27 March 2021 £
Profit/(Loss) for the financial period	1,112,069	(1,281,849)
Exchange adjustments offset in reserves	<u>(15,646)</u>	<u>85,368</u>
Total recognised Profit/(Loss) for the period	<u>1,096,423</u>	<u>(1,196,481)</u>

The notes on pages 15 to 36 form part of these consolidated financial statements.

CONDOR UK HOLDINGS LIMITED

Consolidated and Company Balance Sheets

As at 26 March 2022

	Notes	Consolidated		Company	
		26 March 2022	27 March 2021	26 March 2022	27 March 2021
		£	£	£	£
Fixed Assets					
Intangible assets	12	2,554,259	2,977,067	-	-
Tangible assets	13	998,943	1,149,038	-	-
Investments	14	-	-	2,000,002	2,000,002
		3,553,202	4,126,105	2,000,002	2,000,002
Current Assets					
Debtors	15	2,117,981	1,077,996	10,821	10,088
Cash and cash equivalents		2,353,588	662,898	51,799	42,534
		4,471,569	1,740,894	62,620	52,622
Creditors: amount falling due within one year	16	(2,144,754)	(1,063,522)	(35,000)	(45,000)
Net Current Assets		2,326,815	677,372	27,620	7,622
Total Assets Less Current Liabilities		5,880,017	4,803,477	2,027,622	2,007,624
Provisions for liabilities and charges	17	(262,008)	(281,891)	-	-
Net Assets		5,618,009	4,521,586	2,027,622	2,007,624
Capital and reserves					
Called-up share capital	18	1,000,001	1,000,001	1,000,001	1,000,001
Capital contribution reserve		16,429,613	16,429,613	16,429,613	16,429,613
Profit and loss account		(11,811,605)	(12,908,028)	(15,401,992)	(15,421,990)
Total Shareholders' Funds		5,618,009	4,521,586	2,027,622	2,007,624

The Financial Statements set out on pages 11 to 36 were approved and authorised for issue by the Board of Directors on 16 December 2022 and signed on its behalf by:



J Napton
Director

The notes on pages 15 to 36 form part of these consolidated financial statements.

CONDOR UK HOLDINGS LIMITED

Consolidated and Company Statement of Changes in Equity For the period from 28 March 2021 to 26 March 2022

Group

	Share Capital	Capital Contribution Reserve	Reserves	Total
	£	£	£	£
Balance at 29 March 2020	1,000,001	16,429,613	(11,711,547)	5,718,067
Loss for the Period	-	-	(1,281,849)	(1,281,849)
Exchange adjustment	-	-	85,368	85,368
Balance as at 27 March 2021	<u>1,000,001</u>	<u>16,429,613</u>	<u>(12,908,028)</u>	<u>4,521,586</u>

Balance at 28 March 2021	1,000,001	16,429,613	(12,908,028)	4,521,586
Profit for the Period	-	-	1,112,069	1,112,069
Exchange adjustment	-	-	(15,646)	(15,646)
Balance as at 26 March 2022	<u>1,000,001</u>	<u>16,429,613</u>	<u>(11,811,605)</u>	<u>5,618,009</u>

Company

	Share Capital	Capital Contribution Reserve	Reserves	Total
	£	£	£	£
Balance at 29 March 2020	1,000,001	16,429,613	(15,414,254)	2,015,360
Loss for the Period	-	-	(7,736)	(7,736)
Balance as at 27 March 2021	<u>1,000,001</u>	<u>16,429,613</u>	<u>(15,421,990)</u>	<u>2,007,624</u>

Balance at 28 March 2021	1,000,001	16,429,613	(15,421,990)	2,007,624
Profit for the Period	-	-	19,998	19,998
Balance as at 26 March 2022	<u>1,000,001</u>	<u>16,429,613</u>	<u>(15,401,992)</u>	<u>2,027,622</u>

The notes on pages 15 to 36 form part of these consolidated financial statements.

CONDOR UK HOLDINGS LIMITED

Consolidated Statement of Cash Flows For the period from 28 March 2021 to 26 March 2022

	<i>Notes</i>	Period from 28 March 2021 to 26 March 2022 £	Period from 29 March 2020 to 27 March 2021 £
Net cash generated from / (used in) operating activities	19	631,352	(1,026,584)
Cash flow from investing activities			
Proceeds from disposal / (purchase) of tangible assets		40,441	(5,856)
Net cash generated from / (used in) investing activities		671,793	(1,032,440)
Cash flow from financing activities			
Financing from Condor Limited		1,034,542	1,026,290
Net cash generated from financing activities		1,034,542	1,026,290
Net increase / (decrease) in cash and cash equivalents		1,706,334	(6,150)
Cash and cash equivalents at the beginning of the period		662,898	583,680
Exchange (loss)/gain on cash and cash equivalents		(15,644)	85,368
Cash and cash equivalents at the end of the period		2,353,588	662,898

Condor Limited provides transactional services on behalf of Condor Ferries Limited, Condor Marine Services Limited and Condor UK Holdings Limited. These transactions are eliminated from the cash flow workings.

The notes on pages 15 to 36 form part of these consolidated financial statements.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

1. General Information

The Company and the Group provide agency support services to Condor Limited as well as operating a French logistics business. The Company is registered and domiciled in the UK and the registered office is Condor House, New Harbour Road South, Hamworthy, Poole, Dorset, BH15 4AJ.

2. Statement of Compliance

The Group and individual financial statements of Condor UK Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. Summary of Significant Accounting Policies

The consolidated and Company financial statements have been prepared on a going concern basis under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value, in accordance with Accounting Standards currently applicable in the United Kingdom and with the Companies Act 2006.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 and have elected to not disclose the individual trading results of the Company. For the period ended 26 March 2022, no directors' salaries were charged to the Group and therefore no disclosure has been made over the Groups key management personnel compensation within these financial statements.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies (see note 4 - Critical accounting judgements and estimation uncertainty).

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

Going Concern

Operations

The impact of passenger travel restrictions in Guernsey, Jersey and France due to COVID-19 during the period presented certain risks and uncertainties for the passenger business but these restrictions have now been removed. Subsequently, the passenger volumes have recovered close to pre COVID levels for July - September 2022 and the Directors believe that the passenger volumes will be at full recovery for FY23.

Freight volumes which dropped at the start of the pandemic have recovered to pre COVID-19 levels due to the fact that freight is a life-line service to the islands.

At the start of the Ukraine conflict, fuel prices increased significantly for a short period of time but have since started to fall again, albeit the fuel prices have remained higher than they were during the period. The wider Group's 2 conventional vessels are not exposed to increases in fuel prices due to an established fuel price surcharge mechanism to its logistics customers. However, there is no similar pass-through mechanism for the 2 high speed passenger vessels and if fuel prices were not to return to normal levels again in the near future then the increase would be passed onto passengers through ticket price increases.

The UK withdrawing from the European Union has not had a material impact on the wider Group's operations.

The wider Group's trading forecasts and projections also take into account downside case scenarios which show that the wider Group is still able to continue to operate within the level of its current Facilities for at least twelve months after the approval of the consolidated financial statements. The Director's intend to refinance the wider Group's Term Loan, Revolver Facility and Capex Facility (the "Facilities") which are currently due to expire in September 2023.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Loan arrangements and covenants

As Condor UK Holdings Limited is an integral component of the wider Group, the ability of Condor UK Holdings Limited to operate as a going concern is dependent on the wider Group's operations and financing arrangements.

The wider Group's 5 year Term Loan, Revolver Facility and Capex Facility (the "Facilities") were renewed in August 2017 which are used to support the ongoing financing requirements for the wider Group.

The Facilities were initially due to be repaid on 29 September 2022, and on 23 December 2021 the lenders agreed to extend the Facilities by 1 year to 29 September 2023. A debt advisory firm has been engaged to assist with the refinancing process.

Covenants

During the period to 26 March 2022, the wider Group continued to meet all active covenants. Whilst the threat of further severe COVID-19 measures has now receded, the wider Group continues to operate against a challenging economic backdrop caused in part by a rise in the Cost of Living and in part by the future economic uncertainty caused by the war in Ukraine. The covenant tests for September 2022 have been passed and the Directors are confident that the wider Group will be able to meet the covenant tests for March 2023 based on the base case scenario.

Revolver facility

The wider Group fully repaid the £2,000k revolver loan early in the period. £220k of the facility has been used as HMRC guarantees and therefore, £9,780k of the revolving credit facility is available for future liquidity requirements although the Directors do not anticipate using this facility. If future amounts were utilised they would be required to be repaid at the end of each interest period, however repayment of utilised amounts can be revolved at the end of each interest period. The wider Group's revolving loan facility can be drawn against up until the end of the term in September 2023.

Expiry of the Facilities - September 2023

The Directors have further considered the wider Group's Facilities which are due to expire in September 2023. Based on the wider Group's trading forecasts and projections, along with preliminary discussions with the lenders, the Directors are confident that they will be able to refinance the wider Group's Facilities. The Directors intend to commence the formal refinancing in early 2023 and believe the refinancing will be completed within the required timescale. However, the ability to successfully refinance the Facilities involves factors outside the direct control of the business, such as future economic uncertainty as mentioned above.

Taking all of the above matters into account, the Directors have a reasonable expectation that the wider Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Basis of Consolidation

The financial statements consolidate the results for the financial period of the Company and the Group. The results of subsidiary undertakings acquired, or disposed of, during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of disposal. In the case of acquisitions during the year, the acquisition method of accounting is used.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Other Income

Government grants and financial assistance that are received / receivable to the Company are recognised within the "Other income" line item on the consolidated profit and loss account, on a systematic basis during the period in which there is reasonable assurance that: (a) the Company will comply with the conditions attaching to them; and (b) the grants will be received.

Turnover

Turnover represents the fair value of consideration received for goods and services supplied, falling within the Company's and Group's ordinary activities and is stated net of sales tax and discounts allowed. The turnover and pre-tax profit of continuing operations represent the provision of shipping, distribution, freight forwarding, management and consultancy services. Revenue relating to the shipping and transportation of freight is recognised at the point of vessel departure. Fees earned for the provision of administration, consultancy and marine management are recognised when invoiced. Commissions are received in proportion to the value of travel ticket turnover generated from French sales offices and recognised on an annual basis.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight line method, to allocate the depreciable amounts of the assets to their residual values over their estimated useful life as follows:

Software	- 3 to 5 years
Goodwill	- 20 years

Amortisation is charged to administrative expenses in the consolidated profit and loss account.

Where factors such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Intangible Assets (continued)

Where market values are not available, depreciated replacement cost has been used to determine fair value, provided it does not exceed recoverable amount. Recoverable amount is calculated based on the expected net cash flows that the business can recover from the asset, either by disposing of it or by continuing to use it.

Goodwill is amortised over its useful economic life not exceeding 20 years.

Goodwill Impairment

At each balance sheet date, an annual review is performed to assess whether there is any evidence to indicate impairment to the value of goodwill. If impairment indicators exist through identification of trigger events, a detailed review is required to be performed. Impairment reviews are performed by reference to the lower of amortised cost and recoverable amount which is in turn the higher of net realisable value and value in use and to write down the carrying value of goodwill accordingly.

Value in use is determined through the preparation of a forecast valuation model where equity cashflows have been discounted at an appropriate cost of equity.

If an impairment is identified, goodwill would be written down to the lower of amortised cost and recoverable amount with a corresponding charge to the consolidated profit and loss account.

Value in use is determined through the preparation of forecasts for the next two years and then applying these forecasts to a 25 year valuation model where equity cashflows have been discounted at an appropriate cost of equity.

Tangible Assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price plus costs directly incurred in bringing the asset into use.

Depreciation

Depreciation is not charged on freehold land. Depreciation is calculated to write-down the net book value of tangible fixed assets less their estimated residual value, on a straight-line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Years
Leasehold property	5 - 50
Fixtures, fittings and equipment	4 - 10
Vehicles	5

The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the consolidated profit or loss and included in "Administrative expenses".

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Finance and Operating Leases

The Group holds finance leases where substantially all the risks and rewards of the asset incidental to ownership are held by the Group and therefore the assets are recognised in tangible assets.

Operating leases are where the risks and rewards of the asset are not transferred to the Group. Payments under operating leases are charged to the consolidated profit and loss account on a straight-line basis over the period of the lease.

Investments

Investments in subsidiaries held as fixed assets are stated at cost less provision for any impairment in value.

Foreign Currencies

The financial statements of the Group are presented in pound sterling ("£").

The Company's functional and presentational currency is pound sterling ("£").

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

Trading results of overseas subsidiaries are translated into sterling at average exchange rates for the period and the assets and liabilities of the subsidiaries are translated at the rate of exchange at the balance sheet date. Unrealised exchange gains and losses arising from the re-translation of equity investments in overseas subsidiaries are dealt with in reserves.

Taxation

The charge for taxation is based on the results for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred Taxation

Provision is made for deferred tax in relation to differences between tangible and intangible asset net book values and tax written down values at the balance sheet date, that give rise to an obligation to pay more tax, or right to pay less tax in the future. A deferred tax asset is only recognised to the extent that it may be considered recoverable. Deferred tax assets and liabilities are not discounted.

Pensions

Under the defined contributions schemes and group personal pension plans the contributions payable by the Group are charged against profits in the period to which they relate.

The Directors transferred the pension contribution costs and remaining deficit from Condor Marine Services Limited, Condor Ferries Limited and Condor Marine Crewing Services Limited to Condor Limited in 2015, as the Directors took the view that Condor Limited is ultimately responsible for the settlement of the Merchant Navy Officers' Pension Fund ("MNOF") liability and benefits from the employment of the Crew (see note 8).

Dette Social Provision

In respect of the employees of Morvan Fils SAS and its subsidiaries, the Group contributes to the French State pension scheme and to defined contribution arrangements at various rates.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Upon reaching retirement, employees of Morvan Fils SAS and its subsidiaries are paid a bonus according to their length of service and salary. An estimate of the potential liability is included in the consolidated financial statements by reference to accrued service to the balance sheet date and current salary.

Capital Instruments

Capital instruments are accounted for and classified as equity or non-equity share capital, equity or non-equity minority interest or debt according to their form. Issue costs incurred in raising equity are written off against proceeds received.

Interest payable / receivable and similar charges

Interest receivable and interest payable are accounted for on an accruals basis.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at a transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in consolidated profit or loss account.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the assets are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated party.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables and loans from fellow Group companies are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

3. Summary of Significant Accounting Policies (continued)

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less.

4. Critical Accounting Judgements and Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(i) Impairment of intangible assets and goodwill

The Group has goodwill as a result of the purchase of the Condor Group of businesses. The Directors consider whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of free cash flows from the CGU and a selection of appropriate discount rates in order to calculate the net present value of those cash flows.

(ii) Carrying value of investments in subsidiaries

The Directors assess investments at the end of each reporting period to see if there is evidence to suggest that the investments in subsidiaries should be impaired. This is done by calculating the net present value of each investment's estimated future cash flows. If any investment in subsidiary or associate has a lower net present value than the cost held in the balance sheet, then the asset is considered immediately impaired and a provision is made within the financial statements.

(iii) Contingent Liabilities

The Directors consider all contingent liabilities at the balance sheet date and disclose them where necessary.

(iv) Intercompany balances

Intercompany trading balances and loans are assessed at the end of each period for recoverability. If the Directors believe these amounts will not be settled, then they are fully impaired and written off in the period. The amount owed by Condor Limited to the Group (see note 15) relates to a trading balance with Morvan Fils SAS (owned by Condor UK Holdings Limited). The Directors do not wish to write this amount off as it is expected to be fully recoverable in the future.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

5. Turnover

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
UK marine management fees	456,908	483,254
UK management fees	6,266,488	5,597,752
UK café sales	25,519	3,273
French management fees	479,978	309,074
French freight forwarding	4,138,154	2,865,793
	<u>11,367,047</u>	<u>9,259,146</u>

During the period, the Company received Government Grants and financial assistance totalling £438k from the relevant Government bodies in which the Company has significant operations in the UK and France (27 March 2021: £1,004k). The grants and financial assistance were in relation to furloughed staff expenses, contribution towards operational costs, council rates rebates and credits on social charges.

6. Operating Profit/(Loss) on Ordinary Activities Before Taxation

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Operating Profit/(Loss) on ordinary activities before taxation is stated after charging:		
Depreciation - Tangible Assets	427,469	504,059
Amortisation - Software	565,846	745,904
Amortisation - Goodwill	55,000	55,000
Auditors' remuneration:		
- audit services	60,865	74,270
Rental under operating leases:		
- land and buildings	222,474	223,036
- other operating leases	<u>318,074</u>	<u>296,776</u>

7. Income / (charge off) from write off of intercompany balances

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Condor Limited (see note 23)	1,361,554	(202,719)
	<u>1,361,554</u>	<u>(202,719)</u>

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

8. Pension Schemes

The Group contributes at varying rates to personal pension plans and a defined contribution scheme in respect of qualifying employees. The pension costs charged to the consolidated profit and loss account amounted to £195,203 (27 March 2021: £226,227). There were outstanding contributions of £18,651 (27 March 2021: £17,691) at the period end.

The Group contributes to the French State scheme and to defined contribution arrangements at various rates in respect of the employees of Morvan Fils SAS and its subsidiaries. The pension costs which are included within total pension costs charged to the consolidated profit and loss account amounted to £51,000 (27 March 2021: £83,000). There were outstanding contributions of £32,000 (27 March 2021: £21,000) at the period end.

MNOPF Deficit Position

The Group's share of the MNOPF's deficit has been fully repaid.

The Groups' share of the 2009 and 2012 MNOPF deficit has also been fully repaid. The Group has not been requested to contribute to the insignificant deficit noted in the 2018 valuation. Future deficits are likely to be reduced as the scheme is now closed to further accrual and the MNOPF members have now moved to a defined contribution pension scheme called the Ensign Retirement Plan.

The Group was potentially liable to a significant section 75 liability, as prescribed in the Pensions Act 1995, which states that an employer must contribute sufficient funds to the scheme to pay for the benefits of its employees. This liability can be triggered on a multi-employer pension scheme, such as the MNOPF, when the employer no longer employs anyone who is an active member of the scheme, the scheme itself starts to wind up or a participating employer becomes insolvent.

The scheme closed to future direct benefit accrual during the prior financial period and as a result the risk of the Group being exposed to a section 75 liability has decreased. The section 75 liability can now only be triggered if one of the entities in the Group went into insolvency, the MNOPF was closed or the Group elected to trigger it. The Directors have no intention of liquidating any of the entities concerned.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

9. Employee Information

The average monthly number of persons employed by the Group during the period was as follows:

	28.03.2021 to 26.03.2022 Number	29.03.2020 to 27.03.2021 Number
UK port staff	102	103
French port staff (including logistics)	35	34
Maintenance staff	6	7
Average number of shore based staff	<u>143</u>	<u>144</u>
	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Staff costs for the above persons		
Wages and salaries	3,875,961	3,335,525
Social security costs	515,065	468,579
Other pension costs	195,203	226,227
	<u>4,586,229</u>	<u>4,030,331</u>

There are no director salaries charged to the Group.

10. Tax on Profit/(Loss) on Ordinary Activities

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Analysis of charge in the period:		
Current tax:		
UK corporation tax at 19% (2021: 19%)	-	-
Adjustment in respect of prior periods	-	-
Foreign Tax		
Corporation Tax	-	(774)
Total current tax	-	(774)
Deferred tax		
Origination of timing differences	-	-
Tax on profit on ordinary activities	-	(774)

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

10. Tax on Profit/(Loss) on Ordinary Activities (continued)

The tax assessed for the period is the standard rate of corporation tax in the UK at 19% (2020: 19%).

The differences are explained below:

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Profit / (loss) on ordinary activities before tax	1,112,069	(1,282,623)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax of 19%	211,293	(243,698)
Expenditure disallowed for taxation purposes	279	579
General provisions/timing adjustments	10,450	10,450
Capital allowances in excess of depreciation	(94,272)	128,589
Foreign tax rate adjustment	(32,107)	64,789
Group relief surrendered from Group company	163,052	-
Loss / (income) on Intercompany loan write-off	(258,695)	38,517
Total current tax	-	(774)

11. Profit/Loss for the Financial Period

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. Its profit for the financial period amounted to £19,998 (27 March 2021: loss £7,736).

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

12. Intangible Assets Group

	Software £	Goodwill £	Total £
Cost			
At 27 March 2021	5,147,724	1,830,761	6,978,485
Additions	198,038	-	198,038
26 March 2022	5,345,762	1,830,761	7,176,523
Amortisation			
At 27 March 2021	2,278,728	1,722,690	4,001,418
Charge for period	565,846	55,000	620,846
At 26 March 2022	2,844,574	1,777,690	4,622,264
Net Book Value			
At 26 March 2022	2,501,188	53,071	2,554,259
At 27 March 2021	2,868,996	108,071	2,977,067

Software

The Group invested in various software during the financial period. These costs are capitalised as they have future economic benefits which last more than one year.

Goodwill

The Directors have considered if there is any impairment to goodwill. The Group's performance has been forecast for the next two years. The forecasts have then been applied to a 20 year valuation model to determine the enterprise value of the business and hence support the carrying value of goodwill that has a useful remaining economic life of 1 year.

The useful remaining economic life of 1 year is significantly less than the period of cashflows of 25 years that underpin the valuation model. The Directors recognise that the life of the business is, in effect, longer than the remaining useful economic life of goodwill. The reasoning for the valuation model extending beyond the presumed life of goodwill is that the business is a lifetime service provider to the Channel Islands.

The valuation model contains a number of significant assumptions including the Covid-19 pandemic, which are considered and have been agreed by the Directors.

To assess impairment of goodwill the carrying value has been compared to the value in use. The carrying value is lower and the Directors have therefore concluded that there is no impairment of goodwill.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

13. Tangible Assets Group

	Leasehold Property £	Fixtures & Fittings & Vehicles £	Total £
Cost			
At 27 March 2021	1,489,704	2,706,265	4,195,969
Additions	-	277,374	277,374
Disposals	-	(330,895)	(330,895)
At 26 March 2022	1,489,704	2,652,744	4,142,448
Depreciation			
At 27 March 2021	1,104,726	1,942,205	3,046,931
Charge for period	97,819	329,650	427,469
Disposals	-	(330,895)	(330,895)
At 26 March 2022	1,202,545	1,940,960	3,143,505
Net Book Value			
At 26 March 2022	287,159	711,784	998,943
At 27 March 2021	384,978	764,060	1,149,038

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

14. Interest in Principal Group Undertakings and Investments

Name of subsidiary	Description of shares held or registration	Registered office	Country of incorporation	Principal activity	Proportion of nominal value of issued share capital held by	
					Group %	Company %
Condor Ferries Limited ^	Ordinary £1 shares	Condor House New Harbour Rd Poole	UK	Agent for Passenger and Freight Shipping Companies	100	-
Condor Marine Services Limited^	Ordinary £1 shares	Condor House New Harbour Rd Poole	UK	Marine Management Services	100	-
Enterprise Express Limited^	Ordinary £1 shares	Condor House New Harbour Rd Poole	UK	Dormant	100	-
Morvan Fils SAS	Ordinary €1 shares	4 Rue Des Cordiers , St Malo	France	Holding Company	100	-
Morvan Fils Transit SAS	Ordinary €1 shares	4 Rue Des Cordiers , St Malo	France	Freight Forwarding	100	-
Morvan Fils Voyages SAS	Ordinary €1 shares	4 Rue Des Cordiers , St Malo	France	Sales and Port Handling Agent	100	-
St Malo Manutention*	Ordinary €1 shares	18 Avenue Louis Martin St Malo	France	Stevedoring	20	-

^ The financial statements for these companies are not audited.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

14. Interest in Principal Group Undertakings and Investments (continued)

The Company held the following investments, which are stated at cost less provision for impairment.

		26 March 2022 £	26 March 2022 £	26 March 2022 £	27 March 2021 £
Investment in subsidiary undertakings and principal activity	% Holding	Capital and reserves	Loss for period	Cost of investment	Cost of investment
Condor Limited (UK) 2 Ordinary shares of £1 each Investment company*	100	202	-	2,000,000	2,000,000
Condor Logistics Limited 2,500,100 Ordinary shares of £1 each Freight forwarding company*	100	145,999	-	-	-
Condor Port Agencies Limited 1 Ordinary share of £1 each Dormant*	100	-	-	2	2
		<u>146,201</u>	<u>-</u>	<u>2,000,002</u>	<u>2,000,002</u>

* The amounts above are based on unaudited financial statements for these companies for the period ended 26 March 2022.

The Directors have carried out an impairment review and have concluded that no impairment provision is required.

Condor Ferries Limited, registered number 2114802 and Condor Logistics Limited, registered number 797017 are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A being itself a subsidiary undertaking.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

15. Debtors

	Group 26 March 2022 £	Group 27 March 2021 £	Company 26 March 2022 £	Company 27 March 2021 £
Amounts falling due within one year				
Trade debtors	981,075	288,106	-	-
Amounts owed by related companies	886,595	512,895	-	-
Other debtors and prepayments	184,916	207,366	856	123
Deferred tax	65,395	65,395	9,965	9,965
Corporation tax recoverable	-	4,234	-	-
	<u>2,117,981</u>	<u>1,077,996</u>	<u>10,821</u>	<u>10,088</u>

Amounts owed by related companies are unsecured, interest free, repayable on demand and relates only to amounts owed by Condor Limited to the Group.

The movement during the period in the deferred tax asset is as follows:

	Group 26 March 2022 £	Group 27 March 2021 £	Company 26 March 2022 £	Company 27 March 2021 £
At 27 March 2021/29 March 2020	65,395	65,395	9,965	9,965
Movement in provision	-	-	-	-
At 26 March 2022/28 March 2021	<u>65,395</u>	<u>65,395</u>	<u>9,965</u>	<u>9,965</u>

Deferred taxation is provided as follows:

Capital allowances in advance of depreciation	37,006	37,006	9,965	9,965
Short-term timing difference	28,389	28,389	-	-
	<u>65,395</u>	<u>65,395</u>	<u>9,965</u>	<u>9,965</u>

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

16. Creditors: Amounts Falling Due Within One Year

	Group 26 March 2022 £	Group 27 March 2021 £	Company 26 March 2022 £	Company 27 March 2021 £
Trade creditors	1,057,342	634,488	-	-
Other taxes and social security costs	589,327	465,977	-	-
Accruals and deferred income	463,211	(90,607)	35,000	45,000
Finance leases	34,874	53,664	-	-
	<u>2,144,754</u>	<u>1,063,522</u>	<u>35,000</u>	<u>45,000</u>

17. Provisions for Liabilities and Charges

	Group 2022 £	Group 2021 £
Dette Social Provision – Morvan Fils SAS		
Balance brought forward	281,891	281,065
Movement in provision for period	(19,883)	826
Balance carried forward	<u>262,008</u>	<u>281,891</u>

A provision has been made for a bonus to be paid in respect of employees of Morvan Fils SAS and its subsidiaries but only in the event of the employees reaching retirement within the employment of that group.

18. Called-up Share Capital

	2022 £	2021 £
Authorised		
1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
	<u>1,000,100</u>	<u>1,000,100</u>
Allotted, called-up and fully paid	<u>1,000,001</u>	<u>1,000,001</u>
	<u>1,000,001</u>	<u>1,000,001</u>

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statement

For the period from 28 March 2021 to 26 March 2022

19. Reconciliation of Operating Profit to net Cash Inflow/(Outflow) from Operating Activities

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Profit/ (Loss) for the period	1,112,069	(1,282,623)
Adjustment for intercompany transactions (excluding depreciation and amortisation)*	(1,938,829)	(307,090)
Depreciation - Tangible assets	427,469	504,059
Amortisation - Goodwill	55,000	55,000
Amortisation - Software	565,846	745,904
(Increase)/Decrease in debtors	(666,285)	745,975
Increase/(Decrease) in creditors	1,095,965	(1,488,635)
(Decrease)/Increase in provisions	(19,883)	826
Net cash generated from / (used in) operating activities	631,352	(1,026,584)

*Condor Limited provides transactional services on behalf of Condor Ferries Limited, Condor Marine Services Limited and Condor UK Holdings Limited. These transactions are eliminated from the cash flow workings.

20. Commitments

Operating lease commitments

At 26 March 2022 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings £	Other £	Total £
Expiring within 1 year	-	15,955	15,955
Expiring between 2 and 5 years inclusive	449,241	64,078	513,320
Expiring over 5 years	-	46,407	46,407
	449,241	126,440	575,682

Operating lease commitments

At 27 March 2021 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings £	Other £	Total £
Expiring within 1 year	-	25,939	25,939
Expiring between 2 and 5 years inclusive	592,303	116,775	709,078
Expiring over 5 years	-	50,555	50,555
	592,303	193,269	785,572

The operating leases range from months to years and are subject to annual increases in some cases. The operating lease charge for the financial period amounted to £540,548 (27 March 2021: £519,812).

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

21. Guarantees and Contingent Liabilities

The Group and Company are party to a number of fixed and floating charges over the assets of Condor UK Holdings Limited, Condor Marine Services Limited, Condor Ferries Limited, Condor Limited (UK).

Subsidiaries

At the balance sheet date, subsidiary companies have entered into various bonds and guarantees for which specific counter indemnities have been given to the bank. These amount to £220,000 and €79,541 in favour of Customs and Excise for Duty Free warehousing.

22. Parent Company and Ultimate Controlling Party

The Company's immediate parent is Condor Holdings Limited, a company incorporated in Guernsey, Channel Islands. The Company's ultimate parent company was Macquarie European Infrastructure Fund II, a limited partnership incorporated in the United Kingdom and registered in Guernsey until 6th March 2020 when all the share capital in the Group was sold to Condor TopCo Limited, a company incorporated in Guernsey. As a result of this transaction, the ultimate controlling party from the 6th March 2020 is considered to be Sackville (CTESIF) GP S.a.r.l., a company incorporated and registered in Luxembourg.

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

23. Related Party Transactions

Related party transactions within the financial statements are set out below.

	28.03.2021 to 26.03.2022 £	29.03.2020 to 27.03.2021 £
Turnover:		
Condor Limited (Guernsey)		
- Turnover (Management fees)	6,962,374	6,268,080
- Turnover (Dockers)	241,000	122,000
	<u>7,203,374</u>	<u>6,390,080</u>
Charges:		
Condor Limited (Guernsey)		
- CI Shipping Charges	962,000	698,000
	<u>962,000</u>	<u>698,000</u>
Intercompany balances:		
Condor Limited	1,361,554	(202,719)
Total Income/(Loss) from write off of intercompany loans	<u>1,361,554</u>	<u>(202,719)</u>
At the period end the following balances existed:		
Group	2022	2021
	£	£
Debtors		
Condor Limited	<u>886,595</u>	<u>512,895</u>

The above companies are all related to Condor UK Holdings Limited as they are all within the MEIF II CI Transport Holdings Limited Group.

The Group transacts with Condor Limited (a wholly owned subsidiary within the wider MEIF II Channel Islands Transport Holdings Group). At the end of the period the Directors review the intercompany balance and if they are of the opinion that the balance will not be settled in the foreseeable future then the amount is written off and disclosed separately in the Profit and Loss account under 'Income/(loss) from write off of intercompany balances' (see note 7).

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

24. Financial Instruments

The Group has the following financial instruments:

	26 March 2022 £	27 March 2021 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	2,353,588	662,898
- Trade debtors	981,075	288,106
- Amounts owed by related companies	886,595	512,895
- Other debtors	184,916	207,366
- Deferred tax	65,395	65,395
- Corporation tax recoverable	-	4,234
	4,471,569	1,740,894
Financial liabilities measured at amortised cost:		
- Trade creditors	1,057,342	634,488
- Other taxes and social security costs	589,327	465,977
- Accruals	73,762	81,923
	1,720,431	1,182,388

The Company has the following financial instruments:

	26 March 2022 £	27 March 2021 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	51,799	42,534
- Other debtors	856	123
- Deferred tax	9,965	9,965
	62,620	52,622
Financial liabilities measured at amortised cost:		
- Accruals	35,000	45,000
	35,000	45,000

CONDOR UK HOLDINGS LIMITED

Notes to the Financial Statements

For the period from 28 March 2021 to 26 March 2022

25. Events After the End of the Reporting Period

The wider Group chartered the Condor Voyager (formerly Normandie Express) from Brittany Ferries (a minority shareholder of the wider Group), for an initial period of one year from 27 May 2021 but this has now been extended to 26th May 2024.