

Company Registration No. 05127750

A&P Tyne Limited

Annual Report and Financial Statements

for the year ended 31 March 2015

FRIDAY



A4MIQ4S8

A09

18/12/2015

#320

COMPANIES HOUSE

A&P Tyne Limited

Annual report and financial statements for the year ended 2015

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Strategic report | 2 |
| Directors' report | 4 |
| Directors' responsibilities statement | 6 |
| Independent auditor's report | 7 |
| Profit and loss account | 9 |
| Balance sheet | 10 |
| Notes to the financial statements | 11 |

A&P Tyne Limited

Annual report and financial statements for the year ended 31 March 2015

Officers and professional advisers

Directors

Atlantic & Peninsula Marine Services Limited
I Carey

Registered Office

Wagonway Road
Hebburn
Tyne & Wear
NE31 1SP
United Kingdom

Bankers

Santander UK Plc
298 Deansgate
Manchester
M3 4HH
United Kingdom

Solicitors

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

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
United Kingdom

A&P Tyne Limited

Strategic report

Principal activities and business review

The principal activity of the company is the provision of ship repair and marine engineering services from its facility in Tyneside.

The results for the year are set out on page 9.

Key performance indicators

The group 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; and
- Customers and markets.

Turnover in the year amounted to £20,369,414 (2014: £39,010,708), resulting in a profit before tax of £2,235,957 (2014: £4,593,965). The net asset position at the year end was £6,708,850 (2014: £8,007,030). The directors consider results in the year to have been extremely pleasing despite continuing difficult trading conditions within the commercial ship repair sector.

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 or position of the company.

The directors believe that, by ensuring all aspects of the business's operations are formally reviewed, the long term interests of all stakeholders of the business will be protected.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

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.

A&P Tyne Limited

Strategic report (continued)

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.

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 to reduce its credit risk

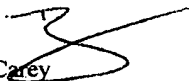
Liquidity risk

The company is part of a group which has sufficient funds and agreed banking facilities for operations and planning expansions.

Interest rate cash flow risk

The company is part of a group banking facility which has net positive balances and these are managed at group level. The company's exposure to interest bearing liabilities is fixed. The rate is regularly reviewed by directors, and as such, protect the company from movements in interest rates.

On behalf of the board



I Carey
Director
5 August 2015

A&P Tyne Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Future outlook

The company successfully completed its work on the second UK aircraft carrier project in August 2014 bringing to an end this short period of surface-ship building. The company is now midway through a smaller package of work to build sections of the Astute Class submarines which will complete around the end of December 2015 and are optimistic that further work packages in this regard will be awarded to the company into 2016.

Despite the success in defence work, the core ship repair market remains competitive with revenues running below expectations and occupancy levels of its dock and berth assets have decreased. The significant reduction in global oil prices, experienced towards the end of 2014, has led to a decline in fabrication work opportunities in the oil and gas market and a difficult trading year is expected in 2015/16. As a consequence of anticipated lower revenues, the company has taken steps to reduce its cost base by way of a reorganisation in the first quarter of 2015/16 resulting in 31% of the workforce being made redundant. It is a group-wide commitment that in challenging markets, direct and indirect costs will be continually managed in line with our committed and predicted revenue on a short, medium and long term basis.

Dividends

A dividend of £3,000,000 was paid during the year (2014: £3,000,000).

Directors

The names of the directors, who held office during the year and up to the date of signing the financial statements, were as follows:

Atlantic & Peninsula Marine Services Limited
I Carey (appointed 31 October 2014)
F Newman (resigned 31 October 2014)

Directors' indemnity

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.

Disabled employees

Applications for employment by disabled persons are always 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 company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and regular updates on company notice boards. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

A&P Tyne Limited

Directors' report (continued)

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 company. 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.

Statement of disclosure of information to auditor

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

- so far as each director is aware, there is no relevant audit information of which the company's auditors is unaware; and
- 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

5 August 2015

A&P Tyne Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 prepared 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 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 Tyne Limited

We have audited the financial statements of A&P Tyne Limited for the year ended 31 March 2015 which comprises the profit and loss account, the statement of recognised gains and losses, the balance sheet and the related notes 1 to 19. 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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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 other matters prescribed in the Companies Act 2006

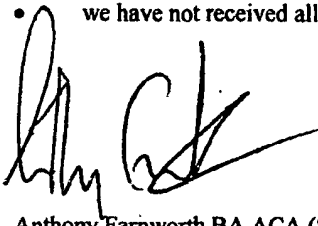
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
A&P Tyne 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; or



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne,
United Kingdom
6 August 2015

A&P Tyne Limited

Profit and loss account for the year ended 31 March 2015

| | Notes | 31 March 2015 £ | 31 March 2014 £ |
|--|-------|-------------------------|-------------------------|
| Turnover | 2 | 20,396,414 | 39,010,708 |
| Cost of sales | | (16,626,670) | (31,958,335) |
| Gross profit | | <u>3,769,744</u> | <u>7,052,373</u> |
| Administrative expenses | | <u>(1,573,419)</u> | <u>(2,458,849)</u> |
| Operating profit | 3 | 2,196,325 | 4,593,524 |
| Interest receivable and similar income | 4 | 39,632 | 27,439 |
| Interest payable and similar charges | 5 | - | (26,998) |
| Profit on ordinary activities before taxation | | <u>2,235,957</u> | <u>4,593,965</u> |
| Tax on profit on ordinary activities | 7 | <u>(534,137)</u> | <u>(1,082,457)</u> |
| Profit for the financial year | 15,16 | <u><u>1,701,820</u></u> | <u><u>3,511,508</u></u> |

All of the activities of the company are continuing.

The company has no recognised gains and losses other than those included in the profit for the financial periods above and therefore no separate statement of total recognised gains and losses has been prepared.


A&P Tyne Limited

Balance sheet as at 31 March 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 8 | <u>3,636,746</u> | <u>4,040,142</u> |
| Current assets | | | |
| Stocks | 9 | 96,920 | 68,865 |
| Debtors | 10 | 8,191,581 | 9,566,625 |
| Cash at bank and in hand | | <u>2,165,044</u> | <u>6,989,570</u> |
| | | 10,453,545 | 16,625,060 |
| Creditors: amounts falling due within one year | 11 | <u>(4,795,840)</u> | <u>(9,914,224)</u> |
| Net current assets | | <u>5,657,705</u> | <u>6,710,836</u> |
| Total assets less current liabilities | | 9,294,451 | 10,750,978 |
| Creditors: amounts falling due after more than one year | 12 | <u>(2,104,012)</u> | <u>(2,257,032)</u> |
| Provisions for liabilities and charges | 13 | <u>(481,589)</u> | <u>(486,916)</u> |
| Net assets | | <u>6,708,850</u> | <u>8,007,030</u> |
| Capital and reserves | | | |
| Called-up share capital | 14 | 3,166,254 | 3,166,254 |
| Profit and loss account | 15 | <u>3,542,596</u> | <u>4,840,776</u> |
| Total shareholders' funds | 16 | <u>6,708,850</u> | <u>8,007,030</u> |

The financial statements of A&P Tyne Limited, registered number 05127750 on pages 9 to 21 were approved and authorised for issue by the Board of Directors on 5 August 2015.

Signed on behalf of the Board of Directors


I Carey
Director

A&P Tyne Limited

Notes to the financial statements for the year ended 31 March 2015

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 company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report and the Directors' report.

The company participates in the centralised treasury arrangements of A&P Group Limited and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent, (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 Tyne Limited to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of A&P Group Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

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

| | |
|------------------------|------------|
| Leasehold improvements | 2% - 10% |
| Plant and machinery | 2½% - 33½% |

No depreciation is charged on assets in the course of construction until they are fully complete and brought into use at which point they are transferred into the relevant asset category.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company 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 in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks are stated at the lower of original purchase price and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

1. Accounting policies (continued)

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.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 the 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 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 year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Related party transactions

The company has taken advantage of the exemption 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.

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.

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

2. Turnover

The company's activities comprise the provision of ship repair and marine engineering services. The geographical analysis of the company's turnover by destination is as follows.

| | 31 March 2015 £ | 31 March 2014 £ |
|----------------|-----------------------|-----------------------|
| United Kingdom | 17,199,177 | 34,202,993 |
| Rest of Europe | 2,064,859 | 4,807,715 |
| Rest of world | 1,132,378 | - |
| | <u>20,396,414</u> | <u>39,010,708</u> |

3. Operating profit

Operating profit is stated after charging:

| | 31 March 2015 £ | 31 March 2014 £ |
|---|-----------------------|-----------------------|
| Depreciation of tangible fixed assets: | | |
| - owned assets | 472,023 | 665,749 |
| - leased assets | - | 581,290 |
| Operating lease costs: | | |
| - Plant and machinery | 45,887 | 35,616 |
| - Property rental | 1,471,344 | 1,279,429 |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 17,300 | 17,300 |
| | <u></u> | <u></u> |

4. Interest receivable and similar income

| | 31 March 2015 £ | 31 March 2014 £ |
|---------------|-----------------------|-----------------------|
| Bank interest | <u>39,632</u> | <u>27,439</u> |

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

5. Interest payable and similar charges

| | 31 March 2015 £ | 31 March 2014 £ |
|------------------------------------|-----------------------|-----------------------|
| Interest payable on finance leases | - | 26,998 |

6. Staff costs

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

| | 31 March 2015 No. | 31 March 2014 No. |
|----------------|-------------------------|-------------------------|
| Production | 215 | 282 |
| Administration | 31 | 32 |
| | <u>246</u> | <u>314</u> |

| | £ | £ |
|--|------------------|-------------------|
| Staff costs during the year (including directors) | | |
| Wages and salaries | 8,575,809 | 11,441,139 |
| Social security costs | 651,710 | 604,141 |
| Pension costs (note 18) | 325,500 | 273,906 |
| | <u>9,553,019</u> | <u>12,319,186</u> |

| | £ | £ |
|--|----------------|---------------|
| Directors' remuneration | | |
| Aggregate emoluments | 167,192 | 65,365 |
| Company pension contributions to money purchase scheme | - | 7,959 |
| | <u>167,192</u> | <u>73,324</u> |

Company pension contributions are made to a company money purchase scheme for one director (2014: one).

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

7. Tax on profit on ordinary activities

a) Analysis of tax charge in the year

| | 31 March 2015 £ | 31 March 2014 £ |
|---|-----------------------|-----------------------|
| United Kingdom corporation tax at 21% (2014: 23%) based on the profit for the year | 436,344 | 1,096,113 |
| Adjustments in respect of prior years | 32,028 | - |
| Total current tax | 468,372 | 1,096,113 |
| Deferred tax: | | |
| Origination and reversal of timing differences | 13,772 | (43,302) |
| Adjustments in respect of prior years | 52,649 | 11,629 |
| Effect of changes in tax rates | (656) | 18,017 |
| Total deferred tax | 65,765 | (13,656) |
| Tax on profit on ordinary activities | 534,137 | 1,082,457 |

b) Factors affecting tax credit for the year

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

| | 31 March 2015 £ | 31 March 2014 £ |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax | 2,235,957 | 4,593,965 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%) | 469,551 | 1,056,613 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 77,839 | 28,784 |
| Income not allowable | (53,315) | - |
| Accelerated capital allowances and other timing differences | (13,773) | 43,301 |
| Adjustments in respect of prior year | 32,028 | - |
| Transfer pricing | 54,773 | - |
| Group relief claimed at nil consideration | (98,731) | (32,585) |
| Current tax charge for the year | 468,372 | 1,096,113 |

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

7. Tax on profit on ordinary activities (continued)

c) Factors affecting future tax charges

A reduction in the rate of UK corporation tax from 21% to 20% with effect from 1 April 2015 was enacted in 2013. The deferred tax balances as at 31 March 2015 have been calculated at a rate of 20% (2014: 20%).

d) Deferred tax

The deferred tax asset recognised in the financial statements (note 10) at the year end was as follows:

| | 2015 £ | 2014 £ |
|--|---------------|----------------|
| Accelerated capital allowances | 76,617 | 92,529 |
| Other timing differences | 8,505 | (192,229) |
| Deferred tax not provided | (30,774) | 219,813 |
| | <u>54,348</u> | <u>120,113</u> |
| Reconciliation of movement in deferred tax | | £ |
| At start of year | | 120,113 |
| Deferred tax credit in profit and loss account | | (13,116) |
| Adjustment in respect of prior years | | (52,649) |
| At year end | | <u>54,348</u> |

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

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

8. Tangible fixed assets

| | Leasehold improvements £ | Plant and Machinery £ | Total £ |
|---------------------------------|--------------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 April 2014 | 4,503,767 | 5,732,324 | 10,236,091 |
| Additions | 9,950 | 58,677 | 68,627 |
| At 31 March 2015 | 4,513,717 | 5,791,001 | 10,304,718 |
| Accumulated depreciation | | | |
| At 1 April 2014 | 1,711,092 | 4,484,857 | 6,195,949 |
| Charge for the year | 354,722 | 117,301 | 472,023 |
| At 31 March 2015 | 2,065,814 | 4,602,158 | 6,667,972 |
| Net book value | | | |
| At 31 March 2015 | 2,447,903 | 1,188,843 | 3,636,746 |
| At 31 March 2014 | 2,792,675 | 1,247,467 | 4,040,142 |

Plant and machinery at 31 March 2015 includes assets held under finance leases with a net book value of £nil (2014: £nil). The depreciation charge in respect of such assets was £nil (2014: £581,290).

9. Stocks

| | 2015 £ | 2014 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 96,920 | 68,865 |

Stocks are held at the lower of original purchase price or net realisable value.

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

10. Debtors

| | 2015 | 2014 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 3,657,686 | 3,065,455 |
| Amounts recoverable on contracts | 1,365,149 | 4,388,232 |
| Amounts owed by group undertakings | 2,652,198 | 1,261,321 |
| Other debtors | 192,378 | 233,081 |
| Prepayments and accrued income | 269,822 | 498,423 |
| Deferred tax (note 7d) | 54,348 | 120,113 |
| | <u>8,191,581</u> | <u>9,566,625</u> |

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

11. Creditors: amounts falling due within one year

| | 2015 | 2014 |
|--|------------------|------------------|
| | £ | £ |
| Trade creditors | 2,692,726 | 7,696,747 |
| Obligations under finance leases (note 12) | - | 74,091 |
| Other taxation and social security | 153,610 | 202,093 |
| Taxation | 436,344 | 367,113 |
| Accruals and deferred income | 1,513,160 | 1,574,180 |
| | <u>4,795,840</u> | <u>9,914,224</u> |

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

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

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

| | 2015 £ | 2014 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 2,104,012 | 2,257,032 |

Maturity analysis of borrowings

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Finance leases are repayable as follows: | | |
| Within one year | - | 74,091 |
| Between one and two years | - | - |
| | - | 74,091 |

13. Provisions for liabilities

| | Industrial illness provision £ |
|--------------------------|---|
| At 1 April 2014 | 486,916 |
| Utilised during the year | (5,327) |
| At 31 March 2015 | 481,589 |

The provision for industrial illness represents the expected costs of settling notified and future claims arising as a result of past events. The directors' assessment of the cost of current and future claims includes consideration of an independent actuary's review which provides an estimate of the group's unpaid and uninsured UK industrial illness claims. The claims are expected to be settled over a 10 year period.

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

14. Called-up share capital

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Authorised | | |
| 5,000,000 ordinary shares of £1 each | <u>5,000,000</u> | <u>5,000,000</u> |
| Allotted, called up and fully paid | | |
| 3,166,254 ordinary shares of £1 each | <u>3,166,254</u> | <u>3,166,254</u> |

15. Profit and loss account

| | £ |
|-------------------------------|--------------------|
| At 1 April 2014 | 4,840,776 |
| Profit for the financial year | 1,701,820 |
| Dividends paid | <u>(3,000,000)</u> |
| At 31 March 2015 | <u>3,542,596</u> |

16. Reconciliation of movements in shareholders' funds

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 1,701,820 | 3,511,508 |
| Dividends paid | (3,000,000) | (3,000,000) |
| Opening shareholder's funds | <u>8,007,030</u> | <u>7,495,522</u> |
| Closing shareholder's funds | <u>6,708,850</u> | <u>8,007,030</u> |

17. Financial commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases expiring as follows:

| | Land and buildings | | Plant and machinery | |
|--------------------------|--------------------|------------------|---------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Within one year | - | - | 9,614 | - |
| Within two to five years | - | - | 29,043 | 35,616 |
| After five years | <u>1,279,428</u> | <u>1,279,428</u> | - | - |
| | <u>1,279,428</u> | <u>1,279,428</u> | <u>38,657</u> | <u>35,616</u> |

A&P Tyne Limited

Notes to the financial statements (continued) for the year ended 31 March 2015

18. Pension arrangements

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. Contributions during the year were £325,500 (2014: £273,906). As at 31 March 2015, contributions of £27,626 (2014: £30,528) due in respect of the current reporting year had not been paid out to the scheme and are included within accruals.

19. 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:

| | 2015 | | 2014 | |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Value of transaction £ | Payable at the year end £ | Value of transaction £ | Payable at the year end £ |
| Transactions with A&P Tyne Properties Limited: | | | | |
| Rental payments | <u>1,279,428</u> | <u>-</u> | <u>1,279,428</u> | <u>-</u> |

A&P Tyne Properties Limited is a subsidiary of the A&P Ports & Properties Limited group. This group is considered to be a related party of the A&P Group Limited group due to common influence and control of the two groups during the year.