

REGISTRAR OF COMPANIES

IDWAL MARINE SERVICES LIMITED

Report and Financial Statements

31 December 2010

WEDNESDAY



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REPORT AND FINANCIAL STATEMENTS 2010

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H G Williams
C L Williams
I J Morgan
C J G Davies
P D Atkinson
M J Callender
L E Channing
P M Cooney
N Owens
G Hutcheon

SECRETARY

A Taylor

REGISTERED OFFICE

1 Caspian Point
Caspian Way
Cardiff
CF10 4DQ

BANKERS

Lloyds Banking Group plc

SOLICITORS

Eversheds LLP

AUDITOR

Deloitte LLP
Cardiff

DIRECTORS' REPORT

The directors present their first report and the audited financial statements for the 26 weeks ended 31 December 2010

This director's report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption

The company was incorporated on 2 July 2010 as Idwal Marine Services Limited and commenced trading on the same date

RESULTS AND DIVIDENDS

The audited financial statements for the period are set out in the attached financial pages. The loss for the financial period amounted to \$9,639, which has been transferred from reserves

The directors do not recommend the payment of a dividend for the period

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the provision of shipping consultancy and services to the shipping industry

Turnover for the period was \$251,462 and operating loss was \$9,639

The company has adopted a process for the identification, assessment, treatment, monitoring and reporting of risk. This process helps support business objectives by linking into business strategy, identifying and reporting emerging risks and developing cost-effective solutions to risk exposures

In addition to the above, the company's involvement in global markets creates an exposure to other risk factors that are both external and internal to the company. These risks include but are not limited to failure to comply with legislative and regulatory requirements including environmental and litigation risk, equipment failures, business continuity and the actions of customers and competitors. The company has, as previously described, implemented risk controls and loss mitigation plans but cannot give absolute assurance that such procedures will be effective in identifying or controlling each of the operational risks faced by the company

GOING CONCERN

The company incurred a loss of \$9,639 in the period and has net liabilities of \$8,120 and is consequently dependent on the support of Graig Shipping Plc, the ultimate parent company of Idwal Marine Services Limited. The group has cash resources of \$25.2m and net assets of \$20.7m and is fully supportive of the company. The directors have concluded that the company will be provided with adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

DIRECTORS

The directors, who served throughout the financial period except as noted, were as follows

Hugh Williams	- appointed 2 July 2010
Christopher Williams	- appointed 2 July 2010
Christopher Davies	- appointed 2 July 2010
Ian Morgan	- appointed 2 July 2010
Philip Atkinson	- appointed 2 July 2010
Matthew Callender	- appointed 2 July 2010
Lewin Channing	- appointed 15 October 2010 (non executive)
Peter Cooney	- appointed 15 October 2010 (non executive)

On 1 January 2011 Nicholas Owens and Geoffrey Hutcheon were appointed directors

DIRECTORS' REPORT (continued)

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself 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 were appointed as the company's auditor during the financial period. They have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

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



A Taylor
Secretary

25 May 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IDWAL MARINE SERVICES LIMITED

We have audited the financial statements of Idwal Marine Services Limited for the 26 weeks ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 it 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 the 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the 26 weeks 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

Nigel Thomas

Nigel Thomas (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

Date

25 MAY 2011

IDWAL MARINE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT 26 weeks ended 31 December 2010

	Note	2010 \$
TURNOVER	2	251,462
Cost of sales		<u>(76,899)</u>
GROSS PROFIT		174,563
Administrative expenses		<u>(184,202)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(9,639)
Tax on loss on ordinary activities	5	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	9	<u><u>(9,639)</u></u>

All amounts derive from continuing operations which were acquired during the period

There have been no recognised gains and losses for the current financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

IDWAL MARINE SERVICES LIMITED

BALANCE SHEET 31 December 2010

	Note	2010 \$
CURRENT ASSETS		
Debtors	6	82,527
Cash at bank and in hand		43,653
		<u>126,180</u>
CREDITORS: amounts falling due within one year	7	<u>(134,300)</u>
NET CURRENT LIABILITIES, BEING NET LIABILITIES		<u>(8,120)</u>
CAPITAL AND RESERVES		
Called up share capital	8	1,519
Profit and loss account	9	(9,639)
SHAREHOLDER'S DEFICIT	9	<u>(8,120)</u>

The financial statements of Idwal Marine Services Limited, registered number 7302506, were approved by the Board of Directors and authorised for issue on 25 May 2011

Signed on behalf of the Board of Directors



C J Davies
Director

NOTES TO THE FINANCIAL STATEMENTS
26 weeks ended 31 December 2010

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

The financial statements have been prepared in US dollars, which the directors consider to be the functional currency of the company.

Going concern

The company incurred a loss of \$9,639 in the period and has net liabilities of \$8,120 and is consequently dependent on the support of Graig Shipping Plc, the ultimate parent company of Idwal Marine Services Limited. The group has cash resources of \$25.2m and net assets of \$20.7m and is fully supportive of the company. The directors have concluded that the company will be provided with adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover and revenue recognition

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after the deduction of value added tax. Turnover is recognised in line with the shipping consultancy services provided to the fleet of ships managed by the company.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

Transactions denominated in foreign currencies are translated into US dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Cash flow statement

Under Financial Reporting Standard 1, the company is not required to prepare a cash flow statement as a group cash flow statement is included in the financial statements of Graig Shipping Plc.

NOTES TO THE FINANCIAL STATEMENTS
26 weeks ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

Comparatives

No comparatives have been included in the financial statements as this is the company's first period of trading

2. SEGMENTAL ANALYSIS

Turnover and loss before tax for the financial period relate entirely to the company's principal activities. All activities are undertaken in the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors and employees are employed by Graig Shipping Plc and their costs are partially recharged from that company as part of the group management charge. It is not practicable to allocate the exact remuneration of the employees between their services to this company and to the group as a whole.

The directors received total emoluments of \$584,272 from Graig Shipping Plc during the financial period, but it is not practicable to allocate this between their services as executives of Graig Shipping Plc and their services as directors of Idwal Marine Services Limited.

4. OPERATING LOSS

	2010 \$
Operating loss is stated after charging	
Auditor's remuneration – audit services	3,914
Loss on foreign exchange	205
	<u> </u>

5. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

	2010 \$
Current taxation	
United Kingdom corporation tax	
Current tax on income for the period at 28%	-
	<u> </u>

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	\$
Loss on ordinary activities before tax	(9,639)
Tax on loss on ordinary activities before tax at 28%	2,699
Effects of	
Expenses not deductible for tax purposes	(82)
Unutilised tax losses	(2,617)
	<u> </u>
Total current tax charge	<u> </u>

The forthcoming change in the corporation tax rate from 28% to 26% from 1 April 2011 will not materially affect the future tax charge.

IDWAL MARINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

26 weeks ended 31 December 2010

5. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES (continued)

A deferred tax asset has not been provided in relation to surplus trading tax losses, as there is insufficient evidence that there will be suitable taxable gains in the foreseeable future. The amount of the net assets not recognised is \$2,524

6. DEBTORS

	2010 \$
Trade debtors	15,375
Amounts owed by group undertakings	67,107
Other debtors	45
	<u>82,527</u>

7. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 \$
Trade creditors	6,415
Amounts owed to group undertakings	127,885
	<u>134,300</u>

8. CALLED UP SHARE CAPITAL

	2010 \$
Authorised, allotted and fully paid 1,000 ordinary shares of £1 each	<u>1,519</u>

During the period, 1,000 ordinary shares were issued to Graig Ship Management Limited at par

9. STATEMENT OF MOVEMENTS ON RESERVES

	Share capital \$	Profit and loss account \$	Total \$
At incorporation	-	-	-
Issued during the year	1,519	-	1,519
Loss for the financial period	-	(9,639)	(9,639)
At 31 December 2010	<u>1,519</u>	<u>(9,639)</u>	<u>(8,120)</u>

NOTES TO THE FINANCIAL STATEMENTS
26 weeks ended 31 December 2010

10. FOREIGN CURRENCIES

The principal rate of exchange used for translation of foreign currencies to United States dollars at the year-end is as follows

2010

£ sterling/United States dollar

1 5657

11. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the company is not required to disclose transactions with entities which are wholly owned by the group

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Graig Ship Managment Limited, a company incorporated in the United Kingdom and registered in England and Wales, and the ultimate parent company is Idwal Williams and Company Limited, also incorporated in the United Kingdom and registered in England and Wales

Graig Shipping Plc is the parent of the smallest group of which the company is a member and for which group financial statements are drawn up. Idwal Williams and Company Limited is the parent of the largest group of which the company is a member and for which group financial statements are drawn up

Copies of the financial statements of Idwal Williams and Company Limited and Graig Shipping Plc are available from 1 Caspian Point, Caspian Way, Cardiff CF10 4DQ