

# **IDWAL MARINE SERVICES LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2015**

Registered number: 7302506

FRIDAY



\*A59UHDWW\*

A30

24/06/2016

#159

COMPANIES HOUSE

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2015**

<b>CONTENTS</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Statement of income and retained earnings	5
Balance sheet	6
Notes to the financial statements	7

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

H G Williams  
C L Williams  
C J G Davies  
P D Atkinson  
N D Owens  
S J Davies  
L E Channing

**SECRETARY**

A Hetherton

**REGISTERED OFFICE**

1 Caspian Point  
Caspian Way  
Cardiff  
CF10 4DQ

**BANKERS**

Barclays Bank plc

**SOLICITORS**

Eversheds LLP  
Newcastle-upon-Tyne

**AUDITOR**

Deloitte LLP  
Cardiff

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2015. This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

### PRINCIPAL ACTIVITY

The principal activity of the company is that of shipping consultancy and services to the shipping industry.

### BUSINESS REVIEW

The shipping market continues to be volatile with difficult trading through most sectors. The results for the financial year are set out in detail on page 5.

### FUTURE PROSPECTS

The directors are satisfied with the performance of the company during the financial year and consider its future prospects to be satisfactory.

### GOING CONCERN

The company incurred a loss of \$132,332 in the year (2014 – loss of \$84,175). The company has net current assets, and net assets of \$558,445 as at the balance-sheet date (2014 - \$690,777). 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 of the company, who served throughout the financial year and subsequently, are as shown on page 1.

### AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

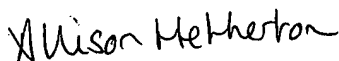
- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company'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 have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

### APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received. The company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

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



A Hetherton  
Secretary  
22 June 2016

## **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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year ended 31 December 2015 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member 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 member 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 member, 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on 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 2015 and of its loss 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year 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 from preparing a Strategic Report or in preparing the Directors' Report.



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

23 June 2016

**STATEMENT OF INCOME AND RETAINED EARNINGS**

For the year ended 31 December 2015

	Note	2015 \$	2014 \$
<b>Turnover</b>	3	1,506,610	1,786,946
Cost of sales		(789,135)	(1,108,515)
<b>Gross profit</b>		717,475	678,431
Administrative expenses		(849,839)	(768,529)
<b>Operating loss</b>		(132,364)	(90,098)
Interest receivable and similar income	6	32	56
<b>Loss on ordinary activities before taxation</b>	5	(132,332)	(90,042)
Tax on (loss) on ordinary activities	7	-	5,867
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(132,332)</u>	<u>(84,175)</u>

All activities derive from continuing operations.

**BALANCE SHEET**

As at 31 December 2015

	Note	2015 \$	2014 \$
<b>Fixed assets</b>			
Tangible assets	8	7,610	-
<b>Current assets</b>			
Debtors	9	767,634	944,310
Cash at bank and in hand		197,733	225,405
		965,367	1,169,715
<b>Creditors: amounts falling due within one year</b>	10	(414,532)	(478,938)
<b>NET CURRENT ASSETS</b>		550,835	690,777
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		558,445	690,777
<b>Capital and reserves</b>			
Called up share capital	11	1,519	1,519
Profit and loss account		556,926	689,258
<b>SHAREHOLDER'S FUNDS</b>		558,445	690,777

The financial statements of Idwal Marine Services Limited, registered number 7302506, were approved by the Board of Directors and authorised for issue on **22** June 2016.

Signed on behalf of the Board of Directors



C J G Davies  
Director



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

### 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 and the prior financial year, are described below.

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The first date at which FRS 102 was applied was 1 January 2014. Idwal Marine Services Limited previously reported under United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). The transition from UK GAAP to FRS 102 is explained further in note 15.

#### Exemptions

The company has taken advantage of the following exemptions available under FRS 102 as equivalent disclosures have been given in the consolidated financial statements of Graig Shipping Plc which include the results of Idwal Marine Services Limited:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation; and
- the exemption from certain financial instrument disclosures.

Copies of the consolidated financial statements of Graig Shipping Plc can be obtained from the registered office of 1 Caspian Point, Caspian Way, Cardiff, CF10 4DQ.

#### 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 \$132,332 in the year (2014 – loss of \$84,175). The company has net current assets, and net assets of \$558,445 as at the balance-sheet date (2014 - \$690,777). 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

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 shipping consultancy services provided.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

### 1. ACCOUNTING POLICIES (continued)

#### Foreign currency

Transactions denominated in foreign currencies are translated into US dollars at the exchange rate ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. These translation differences are dealt with in the profit and loss account.

#### Tangible fixed assets

Tangible fixed assets are valued at cost less depreciation and impairment, and are depreciated at cost in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Computer software	-	25% per annum
Fixtures and fittings	-	25% per annum

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements to conform to generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

#### Key sources of estimation uncertainty

##### *Bad debt provisions*

The trade debtor balances of \$272,120 (2014 - \$257,990) recorded in the company's balance sheet comprise a relatively small number of individual balances. A full line-by-line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

### 3. TURNOVER

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

### 4. 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 \$1,304,095 (2014 - \$1,389,253) from Graig Shipping Plc during the year, 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

## 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015	2014
	\$	\$
<b>The loss on ordinary activities is stated after charging</b>		
Depreciation – owned assets	205	-
Auditor's remuneration – audit fees	5,758	5,067
Loss on foreign exchange	10,076	13,037
	<u>10,076</u>	<u>13,037</u>

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	\$	\$
Bank interest	32	56
	<u>32</u>	<u>56</u>

## 7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2015	2014
	\$	\$
<b>Current taxation</b>		
United Kingdom corporation tax:		
Current tax on income for the year at 20.25% (2014 – 21.49%)	-	-
Adjustments in respect of previous periods	-	(5,867)
	<u>-</u>	<u>(5,867)</u>

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

	\$	\$
Loss on ordinary activities before tax	<u>(132,332)</u>	<u>(90,042)</u>
Tax on loss on ordinary activities before tax at 20.25% (2014 – 21.49%)	(26,793)	(19,350)
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax purposes	-	1,940
Income not taxable	(1,492)	-
Movement in short-term timing differences	-	84
Tax losses carried forward	28,285	17,326
Adjustments in respect of previous periods	-	(5,867)
<b>Current tax for the year</b>	<u>-</u>	<u>(5,867)</u>

A deferred tax asset has not been provided in relation to surplus trading tax losses and accelerated capital allowances as there is insufficient evidence that the assets will be recovered. The amount of the net assets not recognised is approximately \$36,286 (2014 - \$10,333).

The forthcoming change in the corporation tax rate to 19% will not materially affect the future tax charge.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2015

**8. TANGIBLE FIXED ASSETS**

	Office and computer equipment \$	Computer software \$	Total \$
<b>Cost or valuation</b>			
At 1 January 2015	-	-	-
Additions	6,900	915	7,815
At 31 December 2015	6,900	915	7,815
<b>Depreciation</b>			
At 1 January 2015	-	-	-
Charge for the year	-	205	205
At 31 December 2015	-	205	205
<b>Net book value</b>			
At 31 December 2015	6,900	710	7,610
At 31 December 2014	-	-	-

**9. DEBTORS**

	2015 \$	2014 \$
Trade debtors	272,120	257,990
Amounts owed by group undertakings	475,649	656,300
Corporation tax	-	5,867
Other debtors	-	4,144
Prepayments and accrued income	19,865	20,009
	767,634	944,310

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 \$	2014 \$
Trade creditors	26,336	33,072
Amounts owed to group undertakings	354,085	422,460
Accruals and deferred income	34,111	23,406
	414,532	478,938

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2015

**11. CALLED UP SHARE CAPITAL**

	2015	2014
	\$	\$
<b>Allotted and unpaid</b>		
1,000 £1 ordinary shares	1,519	1,519

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments. Ordinary shares were translated to United States dollars at a historic rate.

**12. FOREIGN CURRENCIES**

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

	2015	2014
£ sterling/United States dollar	1.476	1.559

**13. FINANCIAL COMMITMENTS**

The company has no annual commitments under non-cancellable leases and no capital commitments at 31 December 2015 (2014 - \$nil).

**14. ULTIMATE PARENT COMPANY**

The immediate parent company is Graig Ship Management Limited, a company incorporated in the United Kingdom, and the ultimate parent company is Idwal Williams and Company Limited, also incorporated in the United Kingdom.

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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2015

**15. EXPLANATION OF TRANSITION TO FRS 102**

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, certain accounting policies have changed to comply with that standard.

<b>Reconciliation of equity</b>	<b>At 1 January 2014 \$</b>	<b>At 31 December 2014 \$</b>
As reported under previous GAAP	781,317	698,487
Adjustment	(6,365)	(7,710)
As reported under FRS 102	<u>774,952</u>	<u>690,777</u>
<b>Reconciliation of profit or loss</b>		<b>Year ended 31 December 2014 \$</b>
As reported under previous GAAP		(82,830)
Adjustment		(1,345)
As reported under FRS 102		<u>(84,175)</u>

The adjustment to equity at 1 January 2014 and the profit and loss account for the year ended 31 December 2014 relates to accrued holiday pay. This has increased the loss by \$1,345 net of tax for the year ended 31 December 2014 and has reduced equity as at 1 January 2014 by \$6,365.