

Company Registration No. 10333818 (England and Wales)

**WIGHT SHIPYARD COMPANY LIMITED**

**ACCOUNTS**

**FOR THE YEAR ENDED 29 SEPTEMBER 2021**

# WIGHT SHIPYARD COMPANY LIMITED

## COMPANY INFORMATION

---

**Directors** Mr P Morton  
Mrs J Daly

**Company number** 10333818

**Registered office** Kintyre House  
70 High Street  
Fareham  
Hampshire  
United Kingdom  
PO16 7BB

**Auditor** Alliot Wingham Limited  
Kintyre House  
70 High Street  
Fareham  
Hants  
PO16 7BB

---

# **WIGHT SHIPYARD COMPANY LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 30

---

# **WIGHT SHIPYARD COMPANY LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 29 SEPTEMBER 2021***

---

The directors present the strategic report for the year ended 29 September 2021.

### **Fair review of the business**

The company builds, refits and repairs aluminium vessels for the high speed passenger ferry, tourist boat, windfarm support and luxury yacht markets in the UK and overseas.

The financial statements for the period cover these core activities as well as the continuing research and development activity for new products.

The initial COVID-19 (Coronavirus) lockdown in March 2020, followed by a series of mandatory restrictions, drastically reduced production capacity during the 2019/20 and 2020/21 financial years, impacting the company's ability to complete existing newbuild orders efficiently. In addition to the direct impact on its own operations, the company also experienced delays in deliveries from some of its key supply chain partners.

Despite being hit hard by the pandemic, operators in the passenger travel market did start to place orders for new vessels in the last quarter of the financial year, which utilises much of the production capacity at the Columbine site throughout 2022 and the company therefore expects to return to profitability in the 2021/22 financial year.

In February 2022, the company announced it had agreed a merger with French shipbuilder OCEA to create a combined group that will capitalise on opportunities in the fast ferry and offshore renewable energy markets and see the company nearly double in size in the next few years. The transaction will complete at the end of June 2022.

Also in February 2022, work commenced on upgrading the marine hoist dock at the shipyard as part of a Levelling Up Fund grant awarded to Isle of Wight Council for a wider improvement programme at the Columbine site. This, together with the company's commitment to a substantial investment in a new 260-ton travel hoist, will facilitate additional refit and repair business and reduce its reliance on the ultra-competitive new build market.

# **WIGHT SHIPYARD COMPANY LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 29 SEPTEMBER 2021**

---

### **Principal risks and uncertainties**

Company operations are UK based (but address a global market) and are subject to a number of risks, the principle area of risk and uncertainty relating to economic conditions prevailing in the UK and in key economies around the globe.

The company continues to take measures to ensure that it is not overly reliant on any one global region, sector or customer.

The company continues to assess the risks and opportunities arising from the UK's exit from the European Union ('BREXIT') and evaluate the impact the trade deal has on its activity levels, supply chain and cost base. The company is aware that the UK is still in a potentially turbulent post-BREXIT phase, with trading relationships yet to settle, and that the marine industry could still see significant changes in the coming months and years that could affect the business. In order to mitigate this risk the company continues to review its supply chain arrangements as well as targeting adjacent sectors and new customers.

The company has put measures in place to facilitate the ongoing assessment of the impact of COVID-19 (Coronavirus) and continues to take action to mitigate any negative impact to trading activities, where possible, through changes to its operating procedures and accessing the support from various government schemes where available.

Additional risks include changes to IR35 legislation and the possible impact this may have on gross margins. The company has taken the necessary steps to remain compliant with the legislation and will monitor however, the current assessment is that the impact will be minimal.

The company is exposed (to a greater or lesser extent) to a variety of financial risks from its operations including price risk, exchange rate risk, credit risk and liquidity risk.

### **Price risk**

The company has some exposure to fluctuations in the cost of bought-in goods and services due to the long term contract nature of a substantial portion of its turnover. Where fixed pricing is agreed with customers for these larger contracts, the company seeks to secure pricing for bought-in goods and services at the outset of the project, enabling it to price appropriately.

### **Exchange rate risk**

The company has some exposure to changes in foreign currency exchange rates as some customer contracts are non-Sterling and, whilst labour is UK based, certain bought-in goods and services are non-Sterling purchases. Where the company can achieve a natural hedge between income and costs it will do so and the remaining potential exposure is reviewed and hedged to the extent the senior management team deem appropriate.

### **Credit risk**

The company's credit risk relates primarily to its trade receivables. The company contracts directly with its customers who range from blue chip companies operating government contracts to small and medium sized entities in the commercial sector. The credit terms granted are proportional to risk profile and larger contracts are invoiced on a stage payment basis (before, during and on completion of the projects).

### **Cash flow and liquidity risk**

The current cash position and short-to-medium-term cash flow forecasts are prepared and reviewed on a weekly basis to mitigate cash flow risk and predict any funding requirements. Liquidity risk is managed by matching payments from customers with the cash outflows on projects and support functions, along with the regular review of the overall working capital position.

# **WIGHT SHIPYARD COMPANY LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 29 SEPTEMBER 2021***

---

### **Key performance indicators**

The ongoing financial performance and financial position of the company are managed through a series of key performance indicators which focus on project performance, turnover, gross profit and net cash balances. All of these are monitored and were reviewed by the senior management team during the year under review. On turnover of £7.9m (2020 £15.0m) the gross margin was £0.04m, 0.5% (2020 £0.13m, 0.9%) and at the year-end there was a cash balance of £0.1m (2020 £1.6m) and a loan balance of £8.5m (2020 £6.9m)

On behalf of the board

Mr P Morton  
**Director**

29 June 2022

# **WIGHT SHIPYARD COMPANY LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 29 SEPTEMBER 2021***

---

The directors present their annual report and financial statements for the year ended 29 September 2021.

### **Principal activities**

The principal activity of the company continued to be that of the building, refitting and repairing ships and floating structures.

### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Directors**

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

Mr P Morton

Mrs J Daly

### **Auditor**

The auditor, Allott Wingham Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr P Morton

**Director**

29 June 2022

## **WIGHT SHIPYARD COMPANY LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 29 SEPTEMBER 2021***

---

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). 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;
- 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.



# WIGHT SHIPYARD COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WIGHT SHIPYARD COMPANY LIMITED

---

#### Opinion

We have audited the financial statements of Wight Shipyard Company Limited (the 'company') for the year ended 29 September 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 September 2021 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to 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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

# **WIGHT SHIPYARD COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WIGHT SHIPYARD COMPANY LIMITED**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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, and for such internal control as the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. Our audit procedures were designed at Company and significant component levels to respond to the risk, recognising that 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.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, financial reporting legislation, the Companies Act 2006 and UK tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, review of board meeting minutes, enquiries with management, enquiries of external legal advisors and review of correspondence with external legal advisors.

## **WIGHT SHIPYARD COMPANY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF WIGHT SHIPYARD COMPANY LIMITED**

---

There are inherent limitations in the audit procedures described above and, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals, in particular any entries posted with unusual account combinations or posted by senior management. We evaluated whether there was evidence of bias by the Directors in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.

**Mark Nolan FCA (Senior Statutory Auditor)**  
**For and on behalf of Elliott Wingham Limited**

29 June 2022

**Chartered Accountants**  
**Statutory Auditor**

Kintyre House  
70 High Street  
Fareham  
Hants  
PO16 7BB

# WIGHT SHIPYARD COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 SEPTEMBER 2021

		Year ended 29 September 2021 £	Period ended 29 September 2020 £
	Notes		
Turnover	3	7,928,068	15,012,055
Cost of sales		(7,891,242)	(14,881,415)
Gross profit		36,826	130,640
Administrative expenses		(1,171,504)	(1,246,354)
Other operating income		26,558	144,490
Operating loss	4	(1,108,120)	(971,224)
Interest receivable and similar income	8	105,683	62,489
Interest payable and similar expenses	9	(674,901)	(209,985)
Loss before taxation		(1,677,338)	(1,118,720)
Tax on loss	10	597,575	109,823
Loss for the financial year		(1,079,763)	(1,008,897)

# WIGHT SHIPYARD COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 29 SEPTEMBER 2021*

---

	Year ended 2021 £	Period ended 2020 £
Loss for the year	(1,079,763)	(1,008,897)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,079,763)</u>	<u>(1,008,897)</u>

# WIGHT SHIPYARD COMPANY LIMITED

## BALANCE SHEET

AS AT 29 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11	582,805		665,197	
Investments	12	502,500		502,500	
		<u>1,085,305</u>		<u>1,167,697</u>	
<b>Current assets</b>					
Stocks	14	980,519		111,416	
Debtors	15	6,571,395		4,586,117	
Cash at bank and in hand		115,128		1,581,394	
		<u>7,667,042</u>		<u>6,278,927</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,746,657)</u>		<u>(1,918,405)</u>	
<b>Net current assets</b>			<u>4,920,385</u>		<u>4,360,522</u>
<b>Total assets less current liabilities</b>			<u>6,005,690</u>		<u>5,528,219</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(8,517,718)</u>		<u>(6,947,588)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	19	46,559		59,455	
		<u>(46,559)</u>		<u>(59,455)</u>	
<b>Net liabilities</b>			<u>(2,558,587)</u>		<u>(1,478,824)</u>
<b>Capital and reserves</b>					
Called up share capital	21	100		100	
Profit and loss reserves		<u>(2,558,687)</u>		<u>(1,478,924)</u>	
<b>Total equity</b>			<u>(2,558,587)</u>		<u>(1,478,824)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 June 2022 and are signed on its behalf by:

Mr P Morton  
Director

Company Registration No. 10333818

# WIGHT SHIPYARD COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 29 SEPTEMBER 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2019</b>	100	(470,027)	(469,927)
<b>Period ended 29 September 2020:</b>			
Loss and total comprehensive income for the period	-	(1,008,897)	(1,008,897)
<b>Balance at 29 September 2020</b>	100	(1,478,924)	(1,478,824)
<b>Year ended 29 September 2021:</b>			
Loss and total comprehensive income for the year	-	(1,079,763)	(1,079,763)
<b>Balance at 29 September 2021</b>	100	(2,558,687)	(2,558,587)

# WIGHT SHIPYARD COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26	(2,710,573)		(2,245,036)	
Interest paid		(674,901)		(209,985)	
Income taxes refunded		278,315		5,396	
<b>Net cash outflow from operating activities</b>		<b>(3,107,159)</b>		<b>(2,449,625)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(47,920)		(132,460)	
Proceeds on disposal of tangible fixed assets		13,000		939	
Interest received		105,683		89	
Dividends received		-		62,400	
<b>Net cash generated from/(used in) investing activities</b>			<b>70,763</b>		<b>(69,032)</b>
<b>Financing activities</b>					
Proceeds of borrowings		1,570,130		3,697,588	
<b>Net cash generated from financing activities</b>			<b>1,570,130</b>		<b>3,697,588</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(1,466,266)</b>		<b>1,178,931</b>
Cash and cash equivalents at beginning of year			1,581,394		402,463
<b>Cash and cash equivalents at end of year</b>			<b>115,128</b>		<b>1,581,394</b>



# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2021

---

### 1 Accounting policies

#### Company information

Wight Shipyard Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kintyre House, 70 High Street, Fareham, Hampshire, United Kingdom, PO16 7BB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Management have determined that with the measures being put into place following the financial loss in this and the previous year, and to address the ongoing impact of COVID-19 (Coronavirus), no material uncertainties exist that would need to be disclosed within the financial statements. The company, at the time of approving these financial statements, is expecting a return to profitability in the following year as there is an increase in demand from the various business sectors in which it operates.

#### 1.3 Turnover

Revenue from long term new build contracts is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business of boat building, refit and repair, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from long term new build contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Investment income is recognised when it is probable that the economic benefits will flow to the company and the amount can be measured reliably.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15% reducing balance
Fixtures and fittings & Office equipment	25% reducing balance & 40% reducing balance
Motor vehicles	40% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

---

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

---

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the 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.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

---

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Work in progress

Calculation of ongoing project work at the year end relies upon judgement as to when the profit will be realised, based on the stage of completion of each project.

#### Tangible Assets

Determining whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### Accrued & Deferred Income

Calculation of the amount of revenue to be recognised each year relies upon judgement based on the stage of completion of each project.

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Property, plant and equipment

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

During the year, the depreciation rate applicable to motor vehicles was increased from 25% reducing balance to 40% reducing balance as a truer reflection of the useful life of these assets. As a result of the change in depreciation rate, an additional £11,259 of depreciation has been included in these financial statements.

The depreciation rate applicable to office equipment was also increased from 15% reducing balance to 40% reducing balance as a truer reflection of the useful life of these assets. As a result of the change in depreciation rate, an additional £3,742 of depreciation has been included in these financial statements.

#### Provision for onerous contracts

Provisions for onerous contracts are calculated by estimating the costs of certain projects based on the works still to be carried out under obligation of the contract and offset against the benefits due to be derived from those contracts.

#### Bad debt provision

Bad debt provision is estimated based on an assessment of the company's ability to recover debts from its trade customers, having taken into account the individual customers circumstances and previous history in terms of payment.

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Building, repairs and refits of aluminium vessels	7,928,068	15,012,055
	<u>7,928,068</u>	<u>15,012,055</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	5,419,390	6,064,757
Europe	1,344,514	8,476,343
Rest of the World	1,164,164	470,955
	<u>7,928,068</u>	<u>15,012,055</u>

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Other revenue</b>		
	Interest income	105,683	89
	Dividends received	-	62,400
	Grants received	26,558	144,490
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Operating loss</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Operating loss for the year is stated after charging/(crediting):		
	Exchange losses	34,151	225,053
	Research and development costs	51,168	30,246
	Government grants	(26,558)	(144,490)
	Fees payable to the company's auditor for the audit of the company's financial statements	9,750	6,250
	Depreciation of owned tangible fixed assets	104,031	114,073
	Loss/(profit) on disposal of tangible fixed assets	13,281	(141)
	Operating lease charges	145,370	190,505
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Auditor's remuneration</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the company	9,750	6,250
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		<b>2021</b>	<b>2020</b>
		<b>Number</b>	<b>Number</b>
	Administration and manufacturing	30	39
		<u>          </u>	<u>          </u>



# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

<b>6</b>	<b>Employees</b>	<b>(Continued)</b>	
	Their aggregate remuneration comprised:		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	1,178,047	1,429,307
	Social security costs	102,037	107,109
	Pension costs	61,355	65,846
		<u>1,341,439</u>	<u>1,602,262</u>
<b>7</b>	<b>Directors' remuneration</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	84,532	81,267
	Company pension contributions to defined contribution schemes	7,848	6,441
		<u>92,380</u>	<u>87,708</u>
<b>8</b>	<b>Interest receivable and similar income</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	-	89
	Other interest income	105,683	-
	Total interest revenue	<u>105,683</u>	<u>89</u>
	<b>Income from fixed asset investments</b>		
	Income from shares in group undertakings	-	62,400
	Total income	<u>105,683</u>	<u>62,489</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	89
<b>9</b>	<b>Interest payable and similar expenses</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Other finance costs:</b>		
	Other interest	<u>674,901</u>	<u>209,985</u>

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 10 Taxation

	2021 £	2020 £
<b>Current tax</b>		
Adjustments in respect of prior periods	(278,315)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(319,260)	(224,413)
Adjustment in respect of prior periods	-	114,590
Total deferred tax	(319,260)	(109,823)
Total tax credit	(597,575)	(109,823)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(1,677,338)	(1,118,720)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(318,694)	(212,557)
Permanent capital allowances in excess of depreciation	(566)	-
Research and development tax credit	(242,421)	-
Under/(over) provided in prior years	(35,894)	114,590
Dividend income	-	(11,856)
Taxation credit for the year	(597,575)	(109,823)

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 11 Tangible fixed assets

	Plant and equipment	Fixtures and fittings & Office equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 30 September 2020	818,458	9,580	50,075	878,113
Additions	38,830	9,090	-	47,920
Disposals	(41,712)	(912)	(14,240)	(56,864)
At 29 September 2021	815,576	17,758	35,835	869,169
<b>Depreciation and impairment</b>				
At 30 September 2020	189,788	3,095	20,033	212,916
Depreciation charged in the year	81,665	5,098	17,268	104,031
Eliminated in respect of disposals	(17,650)	(749)	(12,184)	(30,583)
At 29 September 2021	253,803	7,444	25,117	286,364
<b>Carrying amount</b>				
At 29 September 2021	561,773	10,314	10,718	582,805
At 29 September 2020	628,670	6,485	30,042	665,197

### 12 Fixed asset investments

	Notes	2021 £	2020 £
Investments in joint ventures	13	502,500	502,500

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 13 Joint ventures

Details of the company's joint ventures at 29 September 2021 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Aluminium Marine Consultants Limited	United Kingdom	Ordinary shares	50.00

### 14 Stocks

	2021 £	2020 £
Work in progress	980,519	111,416

### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,301,946	990,572
Other debtors	139,498	413,921
Prepayments and accrued income	367,953	2,725,990
	5,809,397	4,130,483
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 19)	761,998	455,634
<b>Total debtors</b>	6,571,395	4,586,117

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
<b>Notes</b>		
Trade creditors	775,971	955,329
Taxation and social security	29,529	163,799
Deferred income	1,364,062	534,146
Other creditors	7,340	5,793
Accruals	569,755	259,338
	2,746,657	1,918,405

# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	18	8,517,718	6,947,588

### 18 Loans and overdrafts

	2021 £	2020 £
Other loans	8,517,718	6,947,588
Payable after one year	8,517,718	6,947,588

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Balances:</b>				
Accelerated capital allowances	46,559	59,455	-	-
Tax losses	-	-	761,998	455,634
	46,559	59,455	761,998	455,634
<b>Movements in the year:</b>				2021 £
Asset at 30 September 2020				(396,179)
Credit to profit or loss				(319,260)
Asset at 29 September 2021				(715,439)

The deferred tax asset set out above is only expected to partially reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. Likewise the deferred tax liability set out above is only expected to partially reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

## WIGHT SHIPYARD COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 29 SEPTEMBER 2021**

---

<b>20 Retirement benefit schemes</b>	<b>2021</b>	<b>2020</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	61,355	65,846
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

## WIGHT SHIPYARD COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

#### 21 Share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary £1 shares of £1 each	100	100

#### 22 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	116,834	-
Between two and five years	478,120	-
In over five years	467,642	-
	1,062,596	-

#### 23 Control

There is no ultimate controlling party.

#### 24 Events after the reporting date

In February 2022, the company announced it had agreed a deal to combine with French shipbuilder OCEA and the merger is expected to complete at the end of June 2022.

In February 2022, work commenced on upgrading the marine hoist dock at the shipyard which will allow the company to work on larger vessels. This work is part of a larger Levelling Up Fund grant secured by the Isle of Wight Council for a wider improvement programme for the Columbine site. The marine hoist dock element is expected to be completed by the autumn of 2022 and the company will invest in a new 260 tonne marine hoist.

In March 2022, the company signed a 20 year lease for the shipyard (comprising part of the Columbine building, the apron and associated pontoons). Lease commencement date was 29 August 2020 and there is a 10 year break clause at 29 August 2030 available to the company and landlord.

## WIGHT SHIPYARD COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

#### 25 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	102,825	97,511

Key management personnel are deemed to be the directors of the company as they have authority and responsibility for planning, directing and controlling the activities of the entity

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2021	Purchases 2020
	£	£
Entities over which the entity has control, joint control or significant influence	266,046	319,310

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	310,000	-



# WIGHT SHIPYARD COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 26 Cash absorbed by operations

	2021 £	2020 £
Loss for the year after tax	(1,079,763)	(1,008,897)
<b>Adjustments for:</b>		
Taxation credited	(597,575)	(109,823)
Finance costs	674,901	209,985
Investment income	(105,683)	(62,489)
Loss/(gain) on disposal of tangible fixed assets	13,281	(141)
Depreciation and impairment of tangible fixed assets	104,031	114,073
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(869,103)	343,882
Increase in debtors	(1,678,914)	(170,504)
Decrease in creditors	(1,664)	(2,064,813)
Increase in deferred income	829,916	503,691
<b>Cash absorbed by operations</b>	<u>(2,710,573)</u>	<u>(2,245,036)</u>

### 27 Analysis of changes in net debt

	30 September 2020 £	Cash flows £	29 September 2021 £
Cash at bank and in hand	1,581,394	(1,466,266)	115,128
Borrowings excluding overdrafts	(6,947,588)	(1,570,130)	(8,517,718)
	<u>(5,366,194)</u>	<u>(3,036,396)</u>	<u>(8,402,590)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.