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Financial Statements

Gardline Limited (previously known as Gardline Geosurvey Limited)

For the Year Ended 30 April 2017

Registered number: 04589821

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Company Information

Directors	N M Bayfield K P Games P N Stanley M R Wooltorton G M Eggink P van Zwieten
Registered number	04589821
Registered office	Endeavour House Admiralty Road Great Yarmouth Norfolk NR30 3NG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

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Directors' Report

For the Year Ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

The company changed its name from Gardline Geosurvey Limited to Gardline Limited on 1 December 2017.

Principal activities

The principal activities of the company are:
- offshore surveying and marine contracting
- offshore geotechnical services
- offshore engineering services
- the provision of environmental and oceanographic services and monitoring.

Results and dividends

The loss for the year, after taxation, amounted to £17,207,581 (2016 : loss £8,884,651).

The directors have not recommended the payment of a dividend (2016 : £Nil).

Directors

The directors who served during the year were:

N M Bayfield
K P Games
P N Stanley
M R Wooltorton

Subsequent to the year end G M Eggink and P van Zwieten were appointed directors on 22 January 2018.

Directors' Report (continued)

For the Year Ended 30 April 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Employee involvement and disabled persons

The company endeavours to consult with or otherwise keep its employees informed of all factors affecting the company that it considers relevant to employees or departments.

The company treats applications for employment from disabled persons in the same way as other persons, provided that they are able to meet the requirements of the job. Subject to this provision, training, career developments and promotion will also be available. Where employees become disabled the company continues to employ them provided that they are still able to meet their responsibilities and carry out the duties of their employment.

Matters covered in the strategic report

The following sections which have previously been included within the Directors' Report are now included within the Strategic Report:

- Business review;
- Key performance indicators;
- Principal risks and uncertainties;
- Financial risk management objectives and policies;
- Future developments.

Directors' Report (continued)

For the Year Ended 30 April 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M R Wooltorton
Director

Date: 30 January 2018

Strategic Report
For the Year Ended 30 April 2017

Business review

The loss after tax for the financial year amounted of £17,207,581 (2016: loss of £8,884,651).

The reduced demand in the oil and gas sector and the continued low price of oil has resulted in a reduction in the turnover of the company when compared to the prior year. In addition to seeking projects further afield, the company has reviewed its overall cost base and continues to align itself to this new commercial landscape. The company has taken and continues to take steps to ensure that costs are closely controlled and structural changes are enacted to ensure that savings continue to be made through improved efficiency.

The operating loss has increased in the year due to an number of factors, principally provisions made against trade debtors and intercompany debts, adverse foreign exchange movements and increased staff costs following the transfer of activities from other group companies noted below.

Key performance indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's).

The key financial performance indicators are turnover, gross profit, gross margin percentage, EBITA and average profit (EBITA) per employee. These KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered. The key non-financial performance indicator is the number of staff employed by the company.

The key financial and non-financial performance indicators for the year ended 30 April 2017, with comparatives for the prior year, are set out below:

	2017	2016
	£	£
Turnover (£'000s)	**46,650**	51,272
Gross (loss)/profit (£'000s)	**(2,309)**	90
Gross margin (%)	**(4.9)%**	0.2%
EBITA (£'000s)	**(18,025)**	(8,860)
Average number of employees	**467**	389
Average EBITA per employee (£'000s)	**(39)**	(22)

The movement in the turnover and gross profit margin KPIs is as a result of the factors identified in the business review. The reduction in the EBITA is also affected by a decrease in the income from group investments, and a change in the way costs are recharged between group companies.

On 1 May 2016 the trading activities of fellow group companies Gardline Marine Sciences Limited, Gardline Environmental Limited and Gardline Geosciences Limited were transferred to the company, and are therefore incorporated in the above results.

Strategic Report (continued)
For the Year Ended 30 April 2017

Principal risks and uncertainties

The principal risks and uncertainties facing the business are those linked to:
- operating vessels carrying out survey work offshore in a variety of locations;
- the ability of the business to recruit and retain the staff necessary to develop the business;
- the ability to continue developing the business in different market sectors and geographical locations;
- the financial risks identified later in this report.

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. Debts are actively chased by the credit control department. As part of a larger group the exchange risk is managed centrally, with currency exposure managed through a mixture of internal financial controls.

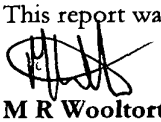
Future developments

The oil price has remained low, the result of which is that trading for the following financial year remains challenging. However, there are good opportunities in other areas and the business continues to review and implement cost reduction measures in order to maintain its position as a leading marine contracting business.

On 15 August 2017 the controlling party changed to be Royal Boskalis Westminster N.V. Following their acquisition of the group, Boskalis are undertaking a review of the structure of the group and implementing cost reduction measures in order to strengthen and consolidate the group's position as a leading marine contracting business. Given the measures that are underway, the directors believe that the Company and Group within which it operates will emerge from this continued challenging period more streamlined and better placed to take advantage of future market developments.

Subsequent to 30 April 2017 the company entered into a contract that has given rise to a significant level of financial loss. To 31 December 2017 the effect of operational difficulties on that contract are estimated to be significant but are not disclosed on the grounds of commercial sensitivity. Such losses are not considered to jeopardise the future viability of the company.

This report was approved by the board and signed on its behalf.



M R Wooltorton
Director

Date: 30 January 2018

Independent Auditor's Report to the Members of Gardline Limited

We have audited the financial statements of Gardline Limited for the year ended 30 April 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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 Financial Reporting Standard 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 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 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 on page 2, 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

A description of the scope of an audit of financial statements is provided on the FRC Ethical Standards website at www.frc.org.uk/auditscopeukprivate.

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 30 April 2017 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.

Independent Auditor's Report to the Members of Gardline Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 and the Directors' Report.

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.

Tobias Wilson BA FCA
Senior Statutory Auditor
for and on behalf of Grant Throton UK LLP
Statutory Auditor, Chartered Accountants
Norwich

30 January 2018

Statement of Comprehensive Income

For the Year Ended 30 April 2017

	Note	2017 £	2016 £
Turnover	4	**46,649,996**	51,272,059
Cost of sales		**(48,958,997)**	(51,182,540)
Gross (loss)/profit		**(2,309,001)**	89,519
Administrative expenses		**(14,921,703)**	(9,622,251)
Operating loss	5	**(17,230,704)**	(9,532,732)
Income from shares in group undertakings		**-**	672,557
Interest receivable	9	**-**	36,847
Interest payable	10	**(185,705)**	(11,752)
Loss before tax		**(17,416,409)**	(8,835,080)
Tax on loss	11	**208,828**	(49,571)
Loss for the financial year		**(17,207,581)**	(8,884,651)

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 11 to 30 form part of these financial statements.

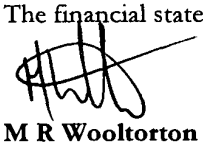
Gardline Limited
Registered number:04589821

Statement of Financial Position

As at 30 April 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	13		**399,605**		1,888,581
Investments	14		**8,446,955**		8,446,955
			8,846,560		10,335,536
Current assets					
Stocks	15	**1,194,181**		2,854,401	
Debtors: amounts falling due within one year	16	**20,696,130**		12,201,043	
Cash at bank and in hand	17	**1,321,994**		8,178,993	
		23,212,305		23,234,437	
Creditors: amounts falling due within one year	18	**(30,892,169)**		(15,723,245)	
			(7,679,864)		7,511,192
Total assets less current liabilities			**1,166,696**		17,846,728
Creditors: amounts falling due after more than one year	19		**(4,735,753)**		(4,208,204)
Net (liabilities)/assets			**(3,569,057)**		13,638,524
Capital and reserves					
Called up share capital	21		**20,000**		20,000
Profit and loss account	22		**(3,589,057)**		13,618,524
			(3,569,057)		13,638,524

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M R Wooltorton
Director

Date: 30 January 2018
The notes on pages 11 to 30 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 April 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	20,000	13,618,524	13,638,524
Loss for the year	-	(17,207,581)	(17,207,581)
At 30 April 2017	20,000	(3,589,057)	(3,569,057)

Statement of Changes in Equity
For the Year Ended 30 April 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	20,000	22,503,175	22,523,175
Loss for the year	-	(8,884,651)	(8,884,651)
At 30 April 2016	20,000	13,618,524	13,638,524

The notes on pages 11 to 30 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 April 2017

1. General information

Gardline Limited (previously known as Gardline Geosurvey Limited) is a private company limited by shares and is incorporated in England and Wales. The registered office is Endeavour House, Admiralty Road, Great Yarmouth, Norfolk, NR30 3NG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company is exempt from the requirement to prepare group accounts in accordance with section 400 of the Companies Act 2006 by virtue of the fact that it is a wholly owned subsidiary of its ultimate parent undertaking, Gardline Holdings Limited, a company incorporated in England. The results of Gardline Limited are included in the financial statements of Gardline Holdings Limited. Consequently, these financial statements present information about the company only and not about its group.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Gardline Holdings Limited as at 30 April 2017 and these financial statements may be obtained from Companies House.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.3 Going concern

The accounts are prepared on a going concern basis, notwithstanding the fact that the company has net liabilities. The application of this basis of accounting is based on the continued support of the company's intermediate parent undertaking, Gardline Shipping Limited.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Goodwill

Goodwill is stated at cost less amortisation. Amortisation is provided at a rate calculated to write off goodwill, less estimated residual value, over its expected useful life on a straight line basis.

2.6 Fixed asset investments

Investments held by the company are stated at cost less any provisions for impairment.

2.7 Dry docking costs

The company routinely incurs dry docking costs on ships which it operates. To the extent that these costs represent planned maintenance and repair activities, they are immediately written off to the profit and loss account. Any capital expenditure incurred during a dry docking is transferred to the group company which owns the vessel, where it is capitalised as ship improvements on a component basis and depreciated in accordance with the group accounting policy for such assets.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery and office equipment	- 16.67% and 25% per annum
Motor vehicles	- 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Assets which are acquired from fellow group companies are depreciated over their original useful economic lives.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

The company is also a participating employer in the Merchant Navy Officers Pension Fund, a defined benefit scheme. The company is unable to identify its share of the underlying assets and liabilities and its interest in the scheme is accounted for as if it were a defined contribution scheme. Further details of this scheme are provided in note 24 to the financial statements.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.16 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

For the Year Ended 30 April 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors which are condensed to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are outlined below;

- Debtors for which an estimated provision is made against them deemed to be at risk of being irrecoverable. Bad debt provisions are detailed in note 16 to the accounts.
- Stocks, against which an estimated provision is made for obsolescence. The carrying amount of stock and the impact of the provision in the Statement of Comprehensive Income is included in note 15.
- Tangible fixed assets, against which depreciation has been charged in line with accounting policy 2.8, the quantum of the charge and the carrying value of the assets can be found in note 13.

4. Turnover

The whole of the turnover is attributable to the principal activities of the company.

Analysis of turnover by country of destination:

	2017	2016
	£	£
United Kingdom	**23,540,048**	19,939,995
Europe	**4,279,517**	11,302,731
Other	**18,830,431**	20,029,333
	46,649,996	51,272,059

The company considers the geographical analysis of turnover to be commercially sensitive and hence has taken advantage of Companies Act provisions and not provided any further disclosure of amounts included above as 'other'.

5. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	**344,486**	1,029,259
Exchange differences	**1,247,787**	(13)
Loss on disposal of tangible fixed assets	**9,655**	2,808

Notes to the Financial Statements
For the Year Ended 30 April 2017

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	**53,325**	23,345

The current year fee includes £26,130 relating to various other group companies which has been borne by Gardline Limited without recharge.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	**16,314,183**	12,794,353
Social security costs	**1,580,760**	1,322,370
Cost of defined contribution scheme	**478,857**	399,598
	18,373,800	14,516,321

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Surveying	**467**	389

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	**162,757**	187,059
Company contributions to defined contribution pension schemes	**12,067**	12,756
	174,824	199,815

During the year retirement benefits were accruing to 2 directors (2016: 2) in respect of defined contribution pension schemes.

Notes to the Financial Statements
For the Year Ended 30 April 2017

9. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	-	36,847

10. Interest payable

	2017 £	2016 £
Bank interest payable	**2,201**	646
Loans from group undertakings	**183,504**	11,106
	185,705	11,752

11. Taxation

	2017 £	2016 £
Corporation tax		
Group relief on losses for the year	**(688,939)**	(740,899)
Adjustments in respect of previous periods	**394,063**	11,558
	(294,876)	(729,341)
Foreign tax		
Foreign tax on income for the year	**160,334**	771,262
Total current tax	**(134,542)**	41,921
Deferred tax		
Origination and reversal of timing differences	**(74,286)**	7,650
Taxation on (loss)/profit on ordinary activities	(208,828)	49,571

Notes to the Financial Statements
For the Year Ended 30 April 2017

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	**(17,416,409)**	(8,835,080)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	**(3,309,118)**	(1,767,016)
Effects of:		
Expenses not deductible for tax purposes	**(21,973)**	48,957
Tonnage tax adjustments	**2,038,398**	652,517
Overseas tax not recoverable through double tax relief	**160,334**	771,262
Overseas tax treated as tax deductible	**(32,893)**	(154,252)
Dividend income not taxable	**-**	(134,511)
Adjustment to prior year tax charge	**408,047**	68,836
Change in rates	**(21,324)**	5,514
Unrelieved tax losses carried forward	**569,701**	558,264
Total tax charge for the year	**(208,828)**	49,571

Notes to the Financial Statements
For the Year Ended 30 April 2017

11. Taxation (continued)

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 17% by 1 April 2020 was included in the Finance Act 2016 and has since become substantively enacted.

Deferred tax has been provided for at 17% as this is the rate enacted at the balance sheet due.

The company has tax losses carried forward of £5,532,973 (2016: £2,719,319), for which no deferred tax asset has been recognised.

12. Intangible assets

	Goodwill
	£
Cost	
At 1 May 2016	691,072
At 30 April 2017	691,072
Amortisation	
At 1 May 2016	691,072
At 30 April 2017	691,072
Net book value	
At 30 April 2016 and 30 April 2017	-

Notes to the Financial Statements

For the Year Ended 30 April 2017

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 May 2016	-	6,977,409	371,406	3,663,910	11,012,725
Additions	1,498	124,265	-	52,117	177,880
Transfers intra group	-	(1,369,934)	92,581	79,132	(1,198,221)
Disposals	(295,303)	(1,244,185)	(121,713)	(2,154,527)	(3,815,728)
At 30 April 2017	(293,805)	4,487,555	342,274	1,640,632	6,176,656
Depreciation					
At 1 May 2016	-	5,328,490	303,555	3,492,099	9,124,144
Charge for the year on owned assets	458	150,705	47,455	145,868	344,486
Disposals	(295,303)	(1,152,048)	(89,701)	(2,154,527)	(3,691,579)
At 30 April 2017	(294,845)	4,327,147	261,309	1,483,440	5,777,051
Net book value					
At 30 April 2017	1,040	160,408	80,965	157,192	399,605
At 30 April 2016	-	1,648,919	67,851	171,811	1,888,581

Transfers intra group represent the tangible fixed assets of Gardline Marine Sciences Limited, Gardline Environmental Limited, and Gardline Geosciences Limited, which were transferred to the company on 1 May 2016, along with the rest of their trade and assets. The total net book value transferred in was £1,629,404.

The majority of these assets were then immediately sold on to the parent company, Gardline Shipping Limited. The total net book value transferred out was £2,827,625

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	1,040	-
	1,040	-

Notes to the Financial Statements
For the Year Ended 30 April 2017

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2016	8,446,955
At 30 April 2017	8,446,955
Net book value	
At 30 April 2017	8,446,955
At 30 April 2016	8,446,955

The company owns 100% of the issued share capital of Gardline Pte Limited. Gardline Pte Limited is incorporated in Singapore and the principal activity of the company is offshore surveying and seismic data acquisition. During the year to 30 April 2017, Gardline Pte Limited made a loss after tax of £2,433,380 (2016: profit of £2,682,410) and at 30 April 2017 the company has shares and reserves of £10,020,472 (2016: £11,231,970).

Investments also comprise a holding of 9% of the ordinary share capital of Gardline Marine Sciences (Egypt) SAE, an offshore surveying company incorporated in Egypt, 40% of the ordinary share capital of Geosurvey Nigeria Limited, an offshore surveying company incorporated in Nigeria and 4% of the ordinary share capital of Gardline Geosurvey (Norway) Limited, an offshore surveying company incorporated in the United Kingdom.

Notes to the Financial Statements
For the Year Ended 30 April 2017

15. Stocks

	2017	2016
	£	£
Raw materials and consumables	**1,194,181**	2,854,401

Stock recognised as an expense in cost of sales during the year was £4,336,415 (2016 : £5,199,065).

Provisions of £120,474 were made against stock in the year (2016 : £765,987).

16. Debtors

	2017	2016
	£	£
Trade debtors	**2,311,118**	2,740,888
Amounts owed by group undertakings	**13,581,828**	5,931,434
Other debtors	**180,172**	623,860
Prepayments and accrued income	**3,248,028**	1,951,216
Corporation tax	**1,048,964**	701,911
Deferred taxation	**326,020**	251,734
	20,696,130	12,201,043

A bad debt provision of £2,134,994 was made against debtors in the current year (2016 : £Nil). A bad debt expense of £1,914,899 was recognised in the year (2016 : £13,000).

17. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**1,321,994**	8,178,993
Less: bank overdrafts	**(11,277,686)**	-

Notes to the Financial Statements
For the Year Ended 30 April 2017

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	**11,277,686**	-
Trade creditors	**2,615,099**	1,572,742
Amounts owed to group undertakings	**13,130,914**	11,775,569
Other taxation and social security	**1,662,898**	344,270
Other creditors	**239,873**	114,649
Accruals and deferred income	**1,965,699**	1,916,015
	30,892,169	15,723,245

Bank borrowings are secured by fixed and floating charges over the assets and undertaking of various group companies and by an unlimited composite company guarantee provided by other group undertakings.

19. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	**4,735,753**	4,208,204

During the prior year a loan of $6,132,800 was provided by the subsidiary Gardline Pte Limited. Interest is payable at LIBOR plus 2.25%, and repayment will be made in full at maturity in May 2021.

20. Deferred taxation

	2017 £	2016 £
At beginning of year	**251,734**	259,384
Credited/(charged) to profit or loss	**74,286**	(7,650)
	326,020	251,734

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	**326,020**	243,280
Other timing differences	**-**	8,454
	326,020	251,734

Notes to the Financial Statements
For the Year Ended 30 April 2017

21. Share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
20,000 Ordinary Equity shares of £1 each	**20,000**	20,000

22. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

23. Contingent liabilities

Group bank guarantee:
A cross guarantee exists between all group companies in relation to the group overdraft facility. The overdraft facility is set at £5,000,000 (2016: £7,000,000).

The Gardline Holdings Group has entered into various loan agreements. An unlimited multilateral bank guarantee has been provided in respect of these loans. At the year end £5,954,000 (2016: £9,792,00) was owed in respect of these bank loans.

The company also has a number of bank guarantees in place n favour of NEC Corporation totalling $97,164 and one in favour of North Oil Company for $520,000.

Group VAT registration:
There is a joint and several liability under a group VAT registration. At the year end there was an outstanding creditor of £939,532 due to HMRC in respect of the VAT group (2016: debtor of £82,525).

Merchant Navy Officers Pension Fund:
As disclosed in note 24 the company is a participating employer in the Merchant Navy Officers Pension Fund. No provision has been made in these financial statements for any future contributions that may become payable to fund the deficit on this scheme, as these future contributions can not be reliably quantified.

Notes to the Financial Statements

For the Year Ended 30 April 2017

24. Pension commitments

The group operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions made by the company to the scheme during the year amounted to £478,857 (2016: £399,598). As at 30 April 2017 there were outstanding contributions of £65,410 (2016: £46,965).

The company is also a participating employer in the Merchant Navy Officers Pension Fund ("MNOPF"), an industry wide scheme of which a number of the company's current and former seagoing personnel are members. This is a defined benefit pension scheme and is divided into two sections, the Old Section and the New Section. For the New Section the MNOPF's independent actuary carried out the most recent full valuation as at 31 March 2015. The next full actuarial valuation for the New section of the MNOPF is due as at 31 March 2018. The most recent full valuation of the Old Section was as at 31 March 2012.

MNOPF Old Section:
The Old Section has been closed to benefit accrual since 1978. The 2012 actuarial valuation gave a market valuation of the scheme's assets at £1,330m representing approximately 100% of the market value of the benefits accruing to members on the valuation basis. Overall there is a scheme surplus at 31 March 2012 of £3m. No allocation of this surplus or past deficits and the related assets or liabilities has ever been made. As a result the company has consistently accounted for its interest in the Old Section as if it were a defined contribution scheme.

No additional contributions have been sought from participating employers in relation to either the 2012 or 2009 valuations. No funding contributions were made by the group in either the 2016 or 2017 financial years.

In 2015 the Trustee of the MNOPF concluded a buy-out covering £1.3 billion of members' pension benefits in the MNOPF's Old Section. Accordingly, the group is no longer exposed to any risks in relation to the Old Section.

MNOPF New Section:
The last five actuarial valuations of the New Section have shown a significant deficit in the scheme. A court judgment in March 2005 clarified the responsibility of employers who have participated in the fund for such deficits, and in particular how these deficits should be allocated between these employers. Following this judgment the company has been able to establish its share of the deficits in the New Section, but because the Section's underlying assets and liabilities are not allocated between employers, the company is exposed to actuarial risks associated with current and former employees of other entities. Furthermore, if any employers, or former employers, fail to make their share of the deficit payments and the trustees are unable to recover such sums, they have the power to increase all the other employers' respective share of the overall deficit on a proportionate basis.

The company has concluded that it is unable to identify its share of the underlying assets and liabilities within the section on a consistent and reasonable basis. As a result it has accounted for its interest in the New Section as if it were a defined contribution scheme. The charge included in the profit and loss account therefore represents the contributions payable for the year.

The New Section closed to future accrual from 31 March 2016, and future service contributions in respect of defined benefit accrual ceased from that date. The most recent actuarial valuation as at 31 March 2015 showed the market value of the New Section's assets was £2,898m, representing approximately 90% of the benefits accruing to members on the valuation basis. After taking into account deficit contributions that certain participating employers have not yet paid in respect of the 2003, 2006, 2009 and 2012 deficits there is a net deficit of £5m. Based on the 2012 valuation, the trustee decided that participating employers will meet the deficit by paying additional contributions over the period to September 2025. The initial allocation of this to the company was £42k and full provision was made for this in a prior year. The 2015 valuation states that allowing for the return on Fund assets to exceed the average discount rate by 0.1%pa, if the assumptions documented in the Statement of Funding Principles are borne out in practice, no additional contributions

Notes to the Financial Statements
For the Year Ended 30 April 2017

24. Pension commitments (continued)

beyond those agreed at previous valuations would be required from the participating employers.

No provision has been made for any additional contributions that may become payable in the future, either as a result of any future deficits or any reallocations of irrecoverable contributions towards the 2009, 2012 and 2015 deficits.

25. Related party transactions

During the year the company had the following transactions with other group undertakings that are not wholly owned:

	Sales 2017	Sales 2016	Purchases 2017	Purchases 2016
	£	£	£	£
Titan Environmental Surveys Limited	12,169	56,217	2,072,396	1,247,996
Alpine Ocean Seismic Survey Inc	1,492,135	541,977	893,107	80,703
Lankelma Limited	12,200	112,286	2,389,186	-

Notes to the Financial Statements

For the Year Ended 30 April 2017

25. Related party transactions (continued)

At the year end the company had the following balances with other group undertakings that are not wholly owned:

	Debtor 2017 £	Debtor 2016 £	Creditor 2017 £	Creditor 2016 £
Titan Environmental Surveys Limited	-	2,507	476,353	184,825
Alpine Ocean Seismic Survey Inc	107,793	331,732	-	80,695
Lankelma Limited	4,670	39,195	-	918

During the year the company made sales of £Nil (2016: £336,209) to Geosurvey Nigeria Limited, a company in which it owns 40% of the issued share capital. At the year end the company was owed £Nil (2016: £998,752) by Geosurvey Nigeria Limited. A balance of £642,883 was written off as a bad debt during the year.

Asian Geos SDN BHD is treated as a joint venture within the Gardline Holdings consolidated accounts. During the year the company made sales of £30,972 (2016: £115,291) to the joint venture, Asian Geos SDN, BHD and it's 100% subsidiary Asian Geos (S) Pte Limited. The company also made purchases of £165,757 (2016: £10,089) from the two companies. At the year end the company was owed £Nil (2016: £56,261) from Asian Geos SDN BHD and it's 100% subsidiary Asian Geos (S) Pte Limited, and owed £Nil (2016: £15,817).

During the year the company made purchases of £10,443 (2016: £Nil) and sales of £Nil (2016: £304,165) to Gardline Maritime Limited, a company which is treated as a joint venture within the Gardline Holdings consolidated accounts. At the year end the company was owed £Nil (2016: £88,121) by Gardline Maritime Limited.

During the year the company made sales of £Nil (2016: £Nil) to and purchases of £1,340,998 (2016: £342,846) from Gardline Marine Sciences Do Brasil S.A, a company which is treated as a joint venture within the Gardline Holdings consolidated accounts. At the year end the company owed £239,256 (2016: £49,617) to Gardline Marine Sciences Do Brasil S.A.

East Coast Diesel Limited is treated as a joint venture within the Gardline Holdings group accounts. During the year the company made purchases of £76,105 (2016: £152,073) from this company. At the year end the company owed £6,414 (2016: £74,866) to East Coast Diesel Limited.

26. Post balance sheet events

On 15 August 2017 the controlling party changed to be Royal Boskalis Westminster N.V.

Subsequent to 30 April 2017 the company entered into a contract that has given rise to a significant level of financial loss. To 31 December 2017 the effect of operational difficulties on that contract are estimated to be significant but are not disclosed on the grounds of commercial sensitivity. Such losses are not considered to jeopardise the future viability of the company.

Notes to the Financial Statements

For the Year Ended 30 April 2017

27. Controlling party

The immediate parent undertaking is Gardline Marine Science Limited.

The ultimate parent undertaking at the year end was Gardline Holdings Limited and consolidated accounts for this group are available from Companies House, Cardiff, CF14 3UZ.

The company's ultimate controlling party at the year end was the Darling family by virtue of their ownership of the majority of the ordinary share capital of Gardline Holdings Limited. As detailed in note 26, following the year-end the controlling party changed to Royal Boskalis Westminster N.V.