Registered number: 10698975

Woodfield Industries Limited

Directors' report and financial statements

For the 9 month period ended 31 December 2017

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Woodfield Industries Limited

Company Information

Directors	C Collins G R Doherty H Mikkelsen G R Reddecliffe D J Williams
Company secretary	C Collins
Registered number	10698975
Registered office	Tyler Way Swalecliffe Whitstable Kent CT5 2RS
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Lloyds Bank plc 1 Legg Street Chelmsford Essex CM1 1JS Skandinaviska Enskilda Banken One Carter Lane London EC4V 5AN

Woodfield Industries Limited

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Directors' report
For the 9 month period ended 31 December 2017

The company was incorporated on 30 March 2017. The directors present their report and the financial statements for the 9 month period ended 31 December 2017.

Principal activity

The company operates as a holding company for the Woodfield group. The group is principally engaged in the design, manufacture, installation and after market support of marine loading arms and specialist engineering services.

Results and dividends

The loss for the 9 month period, after taxation, amounted to £57 thousand.

The directors do not recommend payment by way of a dividend.

Directors

The directors who served during the 9 month period were:

C Collins (appointed 30 March 2017)
G R Doherty (appointed 30 March 2017)
H Mikkelsen (appointed 26 April 2017)
G R Reddecliffe (appointed 30 March 2017)
D J Williams (appointed 30 March 2017)

Future developments

The group's strategic focus continues on succession planning, organisational and personnel development so as to establish a robust process orientated organisation which continuously strives to achieve best performance.

Financial instruments

See note 22 for details of the company's approach to managing financial risk.

Qualifying third party indemnity provisions

The group had in place thoughout the year and up to the date of signing of the financial statements, a qualifying third part indemnity provision for the benefit of the directors.

Disclosure of information to auditors

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 and the group's auditors are 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 and the group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Directors' report (continued)
For the 9 month period ended 31 December 2017

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

C Collins

C Collins
Director

Date: 15/8/2018

Directors' responsibilities statement
For the 9 month period ended 31 December 2017

The directors are responsible for preparing the directors' report and the consolidated 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Independent auditors' report to the shareholders of Woodfield Industries Limited

Opinion

We have audited the financial statements of Woodfield Industries Limited (the 'parent company') and its subsidiaries (the 'group') for the 9 month period ended 31 December 2017, which comprise the group statement of comprehensive income, the group and company balance sheets, the group statement of cash flows, the group and company statement of changes in equity and the related notes, including a summary of 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 group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the 9 month period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the group is encountering challenging trading conditions and is currently in the process of seeking additional sources of finance. As stated in note 2.3 these conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditors' report to the shareholders of Woodfield Industries 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 directors' report for the financial 9 month period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing a group stategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the shareholders of Woodfield Industries Limited (continued)

Auditors' 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 auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the shareholders of Woodfield Industries Limited (continued)

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 auditors' 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.

Kreston Reeves LLP

Alun Edwards FCA MAAT DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

16 August 2018

Consolidated statement of comprehensive income
For the 9 month period ended 31 December 2017

	Note	Period ended 31 December 2017 £000
Turnover	4	**4,297**
Cost of sales		**(4,312)**
Gross loss		**(15)**
Administrative expenses		**18**
Operating loss	5	**3**
Interest payable and expenses	9	**(60)**
Loss before taxation		**(57)**
Tax on (loss)/profit	10	**-**
Loss for the financial 9 month period		**(57)**

Loss for the 9 month period attributable to:

Owners of the parent company	**(57)**
	(57)

There were no recognised gains and losses for 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 14 to 35 form part of these financial statements.

Woodfield Industries Limited
Registered number: 10698975

Consolidated balance sheet
As at 31 December 2017

	Note		2017 £000
Fixed assets			
Intangible assets	12		(504)
Tangible assets	13		761
Investments	14		10
			267
Current assets			
Stocks	15	268	
Debtors: amounts falling due within one year	16	1,144	
Cash at bank and in hand	17	1,003	
		2,415	
Creditors: amounts falling due within one year	18	(1,136)	
Net current assets			1,279
Total assets less current liabilities			1,546
Creditors: amounts falling due after more than one year	19		(1,543)
Provisions for liabilities			
Other provisions	23		(59)
Net liabilities			(56)
Capital and reserves			
Called up share capital	24		1
Profit and loss account	25		(57)
			(56)

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

C Collins

C Collins
Director

Date: 15/8/2018

The notes on pages 14 to 35 form part of these financial statements.

Woodfield Industries Limited
Registered number: 10698975

Company balance sheet
As at 31 December 2017

	Note		2017 £000
Fixed assets			
Investments	14		**3,450**
Current assets			
Debtors: amounts falling due within one year	16	**1**	
Cash at bank and in hand	17	**173**	
		174	
Creditors: amounts falling due within one year	18	**(2,022)**	
Net current liabilities			**(1,848)**
Total assets less current liabilities			**1,602**
Creditors: amounts falling due after more than one year	19		**(1,502)**
Net assets			**100**
Capital and reserves			
Called up share capital	24		**1**
Profit and loss account	25		**99**
			100

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

C Collins
Director

Date: 15/8/2018

The notes on pages 14 to 35 form part of these financial statements.

Consolidated statement of changes in equity
For the 9 month period ended 31 December 2017

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£000	£000	£000	£000
Loss for the 9 month period	-	(57)	(57)	(57)
Shares issued during the 9 month period	1	-	1	1
At 31 December 2017	1	(57)	(56)	(56)

Company statement of changes in equity
For the 9 month period ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Profit for the 9 month period	-	99	99
Shares issued during the 9 month period	1	-	1
At 31 December 2017	1	99	100

Consolidated statement of cash flows
For the 9 month period ended 31 December 2017

	2017 £000
Cash flows from operating activities	
Loss for the financial 9 month period	(57)
Adjustments for:	
Amortisation of intangible assets	(78)
Depreciation of tangible assets	95
Interest paid	60
Increase in stocks	(82)
Decrease in debtors	1,921
Increase in creditors	305
Decrease in provisions	(7)
Net cash generated from operating activities	2,157
Cash flows from investing activities	
Purchase of tangible fixed assets	(66)
Purchase of subsidiary	(1,070)
Net cash from investing activities	(1,136)
Cash flows from financing activities	
Repayment of finance leases	(18)
Net cash used in financing activities	(18)
Net increase in cash and cash equivalents	1,003
Cash and cash equivalents at beginning of 9 month period	-
Cash and cash equivalents at the end of 9 month period	1,003
Cash and cash equivalents at the end of 9 month period comprise:	
Cash at bank and in hand	1,003

The notes on pages 14 to 35 form part of these financial statements.

Notes to the financial statements
For the 9 month period ended 31 December 2017

1. General information

Woodfield Industries Limited is a private company limited by shares and is incorporated in England with the registration number 10698975. The address of the registered office is Tyler Way, Swalecliffe, Whitstable, Kent, CT5 2RS.

The company operates as a holding company for the Woodfield group. The group is principally engaged in the design, manufacture, installation and after market support of marine loading arms and specialist engineering services.

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 (as amended by the 2017 Triennial Review), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are rounded to the nearest thousand pounds.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The group is encountering challenging trading conditions and has reported an operating loss for the year. The directors continue to closely monitor the group's cash flow to ensure that its obligations can be met as they fall due.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. Whilst the directors have instituted measures to preserve cash and secure continued availability of finance, uncertainties remain over future trading results and cash flows. Accordingly the directors continue to seek additional sources of finance to secure the position of the company. Nevertheless, after making enquiries and considering these uncertainties, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or recievable, excluding discounts, rebates, value added tax and other sales taxes. If a sales agreement contains separately identifiable components, the fair value of the total price for the agreement is allocated to each component and the revenue recognition criteria is then separately determined for each component.

Sale of goods

Revenue from goods sold are recorded after the significant risks and rewards have been transferred to the buyer and the company no longer has authority or control over the goods. Usually this means the moment when the goods have been handed over to the customer in accordance with the agreed contractual terms. Sales against which trade-ins are accepted are recorded at contract price. Any difference between the agreed trade-in price and its recorded value in inventory is recognised in cost of goods sold to adjust the sales margin.

Construction contracts

Revenue from separately identified construction contracts is recorded as sales under the percentage of completion method when the outcome of the project can be estimated reliably. The percentage of completion is determined by reference to the individual contract costs incurred to date as a percentage of the total estimated contract costs or by completion of a certain physical milestone. If the conditions for percentage of completion method are not met, costs are recognised as incurred and revenues to the extent that corresponding costs are expected to be recovered. Expected contract losses are recognised as an expense immediately.

Rending of services

Revenue from service contracts is recognised as sales under the percentage of completion method when the outcome of the project can be estimated reliably. The percentage of completion is determined by reference to the individual contract costs incurred to date as a percentage of the total estimated contract costs or by reference to the amount of service work performed from the expected total amount of service work to be performed. With small service contracts, the percentage of completion is not assessed on a contract level based on the costs incurred and amount of work performed but based on an estimate of costs incurred and services performed over the contract period. When the services are delivered over specified period of time, the revenue is recognised on a straight-line basis over the contract period. When the conditions for percentage of completion method are not met, costs are recognised as incurred and revenues to the extent that corresponding costs are expected to be recovered. Possible contract losses are recognised as an expense immediately.

Notes to the financial statements
For the 9 month period ended 31 December 2017

2. Accounting policies (continued)

2.5 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued. The group has chosen not to separately identify the fair value of intangible assets acquired upon a business combination.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probably and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

Negative goodwill

Negative goodwill relates to the acquisition of subsidiary undertakings where the consideration payable was less than the fair value of the identifiable net assets of the subsidiary.

The excess is recognised in the statement of comprehensive income over the period in which the company's non-monetary assets are recovered.

2. Accounting policies (continued)

2.6 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Leasehold land and buildings	- 10 - 15 years straight line
Plant and machinery	- 3 - 8 years straight line
Motor vehicles	- 25% reducing balance
Assets under construction	- depreciated when brought into use

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 consolidated statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

2.8 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 out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.10 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.11 Financial instruments

The group only enters into basic financial instrument 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 the 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 consolidated 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 group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

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 consolidated 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 consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.19 Taxation

Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements
For the 9 month period ended 31 December 2017

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Lease commitments

The group has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating lease requires the directors to consider whether the terms and conditions of each lease are such that the group has acquired the risks and rewards associated with the ownership of the underlying assets.

The following are the group's key sources of estimation uncertainty:

Provisions

Provision has been made in the financial statements for the expected cost of product warranties amounting to £59,000 (2016 - £56,000), see note 23 for further details. This provision is based upon the directors' assessment of the likely level of warranty claims that will be received in respect of work performed prior to the year end based upon historic levels of claims received.

Taxation

No deferred tax asset has been recognised in the financial statements. This is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

Interest free loans

The group has been provided with an interest free loan during the period. This loan has been accounted for using the amortised cost method using a market rate of interest that would be payable on a similar debt instrument from a commercial lender. The rate selected by the directors is considered to be appropriate given the nature of the company and the quantity of the loan received.

Goodwill

The group has recognised negative goodwill arising from business combinations with a carrying value of £504,000 at the reporting date (see note 12). The directors have reassessed the identification and measurement of the assets, liabiltieis and provision for contingent liabilities acquired and the measurement of the cost of the business combination. The excess is being recognised in the statement of comprehensive income over a period of 5 years, which in the opinion of the directors is the period in which the company's non-monetary assets will be recovered.

Notes to the financial statements
For the 9 month period ended 31 December 2017

4. Turnover

The whole of the group's revenue is attributable to the design, manufacture, installation and after market support of marine loading arms and specialist engineering services.

Analysis of turnover by country of destination:

	Period ended 31 December 2017 £000
United Kingdom	1,029
Rest of Europe	585
Rest of the world	2,683
	4,297

5. Operating profit

The operating profit is stated after charging:

	Period ended 31 December 2017 £000
Research & development charged as an expense	3
Depreciation of tangible fixed assets	94
Amortisation of intangible assets, including goodwill	(78)
Exchange differences	18
Other operating lease rentals	59
Defined contribution pension cost	75

Notes to the financial statements
For the 9 month period ended 31 December 2017

6. Auditors' remuneration

	Period ended 31 December 2017 £000
Fees payable to the group's auditor for the audit of the group's annual financial statements	14
Fees payable to the group's auditor in respect of:	
Other services relating to taxation	1
Services relating to corporate finance transactions	12
	13

7. Employees

	2017 £000
Staff costs, including directors' remuneration, were as follows:	
Wages and salaries	1,474
Cost of defined contribution scheme	156
Social security costs	75
	1,705

The average monthly number of employees, including the directors, during the 9 month period was as follows:

	Period ended 31 December 2017 No.
Sales	5
Administration	8
Production	44
Engineering	6
	63

Notes to the financial statements
For the 9 month period ended 31 December 2017

8. Directors' remuneration

	Period ended 31 December 2017 £000
Directors' emoluments	172
Company contributions to defined contribution pension schemes	17
	189

During the 9 month period retirement benefits were accruing to 4 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £43 thousand.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4 thousand.

9. Interest payable and similar charges

	Period ended 31 December 2017 £000
Finance cost on deferred subsidiary purchase consideration	57
Finance leases and hire purchase contracts	3
	60

Notes to the financial statements
For the 9 month period ended 31 December 2017

10. Taxation

	Period ended 31 December 2017 £000
Current tax on profits for the year	-
Total current tax	-

Factors affecting tax charge for the 9 month period

The tax assessed for the 9 month period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 December 2017 £000
Loss on ordinary activities before tax	(57)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(11)
Effects of:	
Expenses not deductible for tax purposes	8
Capital allowances for 9 month period in excess of depreciation	(17)
Unrelieved tax losses carried forward	38
Other differences leading to a decrease in the tax charge	(18)
Total tax charge for the 9 month period	-

Factors that may affect future tax charges

The UK corporation tax rate will reduce from 19% to 17% effective from 1 April 2020.

11. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the 9 month period was £99 thousand.

Notes to the financial statements
For the 9 month period ended 31 December 2017

12. Intangible assets

Group and Company

	Negative goodwill £000
Cost	
Additions	**(582)**
At 31 December 2017	**(582)**
Amortisation	
Charge for the year	**(78)**
At 31 December 2017	**(78)**
Net book value	
At 31 December 2017	**(504)**

On 26 April 2017, the group acquired a controlling interest in Woodfield Systems Limited, recognising negative goodwill totaling £582,000 in respect of the subsidiary undertaking. This negative goodwill is being recognised over five years, being the period in which the directors consider that the company's non-monetary assets will be recovered.

Notes to the financial statements
For the 9 month period ended 31 December 2017

13. Tangible fixed assets

Group

	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Other fixed assets £000	Total £000
Cost					
Additions	-	102	-	47	149
Acquisition of subsidiary	470	187	19	30	706
Disposals	-	(41)	-	-	(41)
Transfers between classes	-	77	-	(77)	-
At 31 December 2017	470	325	19	-	814
Depreciation					
Charge for the 9 month period on owned assets	28	44	5	-	77
Charge for the 9 month period on financed assets	-	17	-	-	17
Disposals	-	(41)	-	-	(41)
At 31 December 2017	28	20	5	-	53
Net book value					
At 31 December 2017	442	305	14	-	761

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £000
Plant and machinery	66

Notes to the financial statements
For the 9 month period ended 31 December 2017

14. Fixed asset investments

Group

	Investments £000
Cost	
On acquisition of subsidiaries	10
At 31 December 2017	10
Net book value	
At 31 December 2017	10

Woodfield Systems Limited has an investment of £10,000 in Woodfield Systems International PVT Limited, a company registered in India. This represents a 4% interest in the share capital of Woodfield Systems International PVT Limited.

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Woodfield Systems Limited	Ordinary	100 %	Design, manufacture, installation and after market support of marine loading arms and specialist engineering services

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Woodfield Rochester Engineering Limited	Ordinary	100 %	Dormant
Cargotec UK Limited *	Ordinary	100 %	Dormant

* Cargotec UK Limited was dissolved during the year.

Woodfield Systems Limited and Woodfield Rochester Engineering Limited are registered at Tyler Way Industrial Estate, Swalecliffe, Whitstable, Kent, CT5 2RS.

Cargotec UK Limited was registered at Cargotec Industrial Park, Ellesmere, Shropshire, SY12 9JW.

14. Fixed asset investments (continued)

Company

	Investments in subsidiaries £000
Cost	
Additions	3,450
At 31 December 2017	3,450
Net book value	
At 31 December 2017	3,450

15. Stocks

	Group 2017 £000	Company 2017 £000
Raw materials and consumables	222	-
Work in progress (goods to be sold)	46	-
	268	-

16. Debtors

	Group 2017 £000	Company 2017 £000
Trade debtors	544	-
Other debtors	31	1
Prepayments and accrued income	569	-
	1,144	1

17. Cash and cash equivalents

	Group 2017 £000	Company 2017 £000
Cash at bank and in hand	1,003	173

Notes to the financial statements
For the 9 month period ended 31 December 2017

18. Creditors: Amounts falling due within one year

	Group 2017 £000	Company 2017 £000
Trade creditors	501	-
Amounts owed to group undertakings	-	1,780
Other taxation and social security	70	7
Obligations under finance lease and hire purchase contracts	26	-
Other creditors	235	235
Accruals and deferred income	304	-
	1,136	2,022

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

	Group 2017 £000	Company 2017 £000
Net obligations under finance leases and hire purchase contracts	41	-
Other creditors	1,502	1,502
	1,543	1,502

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £000	Company 2017 £000
Within one year	26	-
Between 1-5 years	48	-
	74	-

Notes to the financial statements
For the 9 month period ended 31 December 2017

21. Financial instruments

	Group 2017 £000	Company 2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,070**	**1**
Financial liabilities		
Financial liabilities measured at amortised cost	**(2,593)**	**(3,516)**

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, hire purchase liabilities, accruals, amounts owed to group undertakings and other creditors.

22. Financial risk management

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk, with the exception of foreign currency bank accounts. Only a minimal proportion of the company's funds are held in such accounts, and the risks associated with the exposure to exchange rate fluctuations are considered to be insignificant. The company's approach to managing other risks applicable to the financial instruments concerned is as follows.

In respect of bank balances the liquidity risk is managed at a group level by maintaining a balance between the continuity of funding and flexibility through the use of the group's cash pooling arrangement.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Notes to the financial statements
For the 9 month period ended 31 December 2017

23. Provisions

Group

	Product warranties £000
Charged to profit or loss	12
Arising on business combinations	56
Utilised in 9 month period	(9)
At 31 December 2017	**59**

Due to their nature, it is not possible to predict precisely when/or if these provisions will be utilised, but it is anticipated that if there were to be a liability then, in the majority of cases, it would be in the medium term.

24. Share capital

	2017 £000
Allotted, called up and fully paid	
1,000 Ordinary shares of £1 each	1

During the period 1,000 Ordinary shares with an aggregate nominal value of £1,000 were allotted and issued for a total consideration of £1,000.

25. Reserves

Profit and loss account

This reserve comprises all current and prior year retained profits and losses for the year attributable to owners of the parent after deducting any distributions made to the company's shareholders.

Notes to the financial statements
For the 9 month period ended 31 December 2017

26. Business combinations

On 26 April 2017, the group acquired control of Woodfield Systems Limited through the purchase of 100% of the company's share capital. The revenue from Woodfield Systems Limited included in the consolidated statement of comprehensive income was £4,297,000. Woodfield Systems Limited incurred a loss of £234,000 over the same period. The fair value of net assets at the date of acquisition is shown in the table below.

	Book value £000	Fair value £000
Fixed assets		
Tangible assets	**706**	706
Investments	**10**	10
	716	716
Current assets		
Stocks	**186**	186
Debtors	**3,045**	3,045
Cash at bank and in hand	**700**	700
Total assets	**4,647**	4,647
Creditors: due within one year	**(615)**	(615)
Fair value of net assets	**4,032**	4,032

	£000
Fair value of net assets	**4,032**
Negative goodwill	**(582)**
Total purchase consideration	**3,450**

The total purchase consideration was comprised as follows:

	£000
Purchase consideration settled in cash	**1,703**
Fair value of deferred consideration	**1,680**
Directly attributable costs	**67**
Total purchase consideration	**3,450**

Deferred consideration of £1,975,000 is payable over a 5 year period. The amortised cost of this deferred consideration at acquisition was £1,680,000.

26. Business combinations (continued)

The cash outflow on acquisition was as follows:

	£000
Purchase consideration settled in cash	1,703
Directly attributable costs	67
	1,770
Cash and cash equivalents in subsidiary acquired	(700)
Net cash outflow	1,070

27. Contingent liabilities

During the year Woodfield Industries Limited and Woodfield Systems Limited have provided security by way of a debenture of all assets of the group, in respect of any liabilities of any group member falling due to MacGregor PTE Ltd. The total exposure as at 31 December 2017 was £1,958,000.

28. Analysis of changes in net funds

	Cashflow £000	Other non-cash changes £000	31 December 2017 £000
Cash at bank and in hand	1,003	-	1,003
Debt			
Debts due within one year	-	-	-
Debts falling due after more than one year	-	-	-
Financial lease obligations	18	(92)	(74)
Net (debt)/funds	1,021	(92)	929

29. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £75,000. No contributions were payable to the fund at the balance sheet date.

Notes to the financial statements
For the 9 month period ended 31 December 2017

30. Commitments under operating leases

At 31 December 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Company 2017 £000
Not later than 1 year	**97**	**-**
Later than 1 year and not later than 5 years	**256**	**-**
Later than 5 years	**2,645**	**-**
	2,998	**-**

31. Related party transactions

During the period Woodfield Industries Limited acquired a 100% holding in Woodfield Systems Limited from MacGregor PTE Ltd. MacGregor PTE Ltd continues to hold a 10% interest in the group and is considered to have significant influence. Details of this acquisition are shown at note 26.

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group.

32. Controlling party

The directors consider that the group has no ultimate controlling party.