

SHARPNESS DOCK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

SHARPNESS DOCK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DIRECTORS: M A V Gatehouse
G M Strickland
L B Lynch
A J Turnbull

SECRETARY: A C Brown

REGISTERED OFFICE: Victoria Group Holdings Ltd
Victoria Wharf
Plymouth
United Kingdom
PL4 0RF

REGISTERED NUMBER: 03281609 (England and Wales)

AUDITORS: Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

BALANCE SHEET
30 SEPTEMBER 2022

	Notes	2022 £'000	£'000	2021 £'000	£'000
FIXED ASSETS					
Property, plant and equipment	5		1,376		1,238
CURRENT ASSETS					
Debtors	6	10,191		9,431	
Cash at bank and in hand		58		66	
		10,249		9,497	
CREDITORS					
Amounts falling due within one year	7	1,619		1,647	
NET CURRENT ASSETS			8,630		7,850
TOTAL ASSETS LESS CURRENT LIABILITIES			10,006		9,088
PROVISIONS FOR LIABILITIES			270		235
NET ASSETS			9,736		8,853
CAPITAL AND RESERVES					
Called up share capital			-		-
Retained earnings			9,736		8,853
SHAREHOLDERS' FUNDS			9,736		8,853

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

M A V Gatehouse - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. STATUTORY INFORMATION

Sharpness Dock Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The accounts have been prepared with figures disclosed in pounds thousand.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These statements are prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in a separate accounting policy within these financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

In addition, the exemption under FRS 102 paragraph 33.7 has been taken with regards to key management personnel compensation.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors:

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, and historical experience.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. ACCOUNTING POLICIES - continued

Turnover

Turnover represents amounts receivable in respect of port services provided to third parties and income from freehold properties, excluding value added tax where applicable.

Turnover is recognised in line with the provision of the service. It is deferred where it relates to a good or service that has not yet been provided and is accrued if it relates to a service or good that has been provided but not yet invoiced.

The company recognises revenue when the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probably that the economic benefits associated with the transaction can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- Straight line over 3 - 25 years
Fixtures and fittings	- Straight line over 10 years
Motor vehicles	- Straight line over 4 years

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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.

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.

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 have been enacted or substantively enacted by the reporting date.

Deferred tax

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.

Deferred tax is calculated using the tax rates and laws 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).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES - continued

Foreign currencies

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

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items 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 of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to derivatives, borrowings, cash and cash equivalents are presented in the profit and loss account within other income and finance costs. All other foreign exchange gains and losses are presented in the profit and loss account within administrative expenses.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit & loss account.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES - continued

Provisions for liabilities

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Company recognises a provision for annual leave accrued by employees for services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months, measured at the salary cost payable for the period of absence.

Grant income

Income received in relation to grants are classified either as relating to revenue or to assets.

Grants relating to revenue are recognised in other income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Where a timing difference arises, the income is held on the balance sheet. When received in arrears the expected income is recognised as a debtor so long as the relevant conditions have been satisfied. When received in advance of costs, the income is held as deferred income and systematically released to the profit and loss in the periods the cost is incurred.

Grants relating to assets are recognised initially as deferred income and released to other income on a systematic basis over the expected useful life of the asset.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 44 (2021 - 46) .

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 October 2021	2,494	32	109	2,635
Additions	367	2	-	369
Disposals	(37)	-	-	(37)
At 30 September 2022	<u>2,824</u>	<u>34</u>	<u>109</u>	<u>2,967</u>
DEPRECIATION				
At 1 October 2021	1,311	10	76	1,397
Charge for year	206	4	21	231
Eliminated on disposal	(37)	-	-	(37)
At 30 September 2022	<u>1,480</u>	<u>14</u>	<u>97</u>	<u>1,591</u>
NET BOOK VALUE				
At 30 September 2022	<u>1,344</u>	<u>20</u>	<u>12</u>	<u>1,376</u>
At 30 September 2021	<u>1,183</u>	<u>22</u>	<u>33</u>	<u>1,238</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	1,014	1,057
Amounts owed by group undertakings	8,930	8,092
Other debtors	247	282
	<u>10,191</u>	<u>9,431</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	514	758
Amounts owed to group undertakings	399	80
Taxation and social security	96	168
Other creditors	610	641
	<u>1,619</u>	<u>1,647</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. SECURED DEBTS

Debentures incorporating a first legal charge over property held in the Victoria Group exist at the year end.

An unlimited guarantee and set off agreement is also in place between group companies, which includes Victoria Wharves Limited, Seaham Harbour Dock Company, Sharpness Dock Limited, Port of Boston Limited and Victoria Group Holdings Limited.

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Simon Law (Senior Statutory Auditor)
for and on behalf of Mark Holt & Co Limited

10. ULTIMATE CONTROLLING PARTY

The director, M A V Gatehouse is considered to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent company, Victoria Ports Limited, a company incorporated in England.

At the year end the ultimate parent company is Victoria Ports Limited, a company incorporated in England. The company is a wholly owned subsidiary of Victoria Group Holdings Limited, who in turn is a wholly owned subsidiary of Victoria Ports Limited.

Copies of the financial statements for Victoria Ports Limited are available from Companies House, Crown Way, Cardiff.