

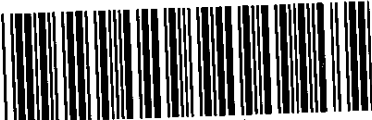
**Llanelli Sand Dredging Limited**

**Directors' report and financial  
statements**

Registered number 00338917

Year ended 31 December 2018

SA SATURDAY



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A17	14/09/2019	#97
COMPANIES HOUSE		

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## Strategic report

Based at its Burry Port premises the company has continued to sell high quality marine sand and other specialist aggregate.

The management of the company use a number of key financial and other performance indicators in reviewing the performance of the company. Foremost among these are the following:

	31 December 2018	31 December 2017
Turnover (£000)	4,783	4,316
Gross profit as a percentage of turnover	13.3%	9.5%
Net current assets (£000)	1,003	1,638
Current ratio (current assets to current liabilities)	3:1	4:1
Number of employees	11	11

Our people are our most valuable assets, making safety a core value. Our goal is: No Injuries No Accidents. This is embedded in our company's culture and supported through values and rules. All employees, including our sub-contractors, are expected to take these values and rules to heart.

A new quality 'Way of Working' programme was introduced at the end of 2017, with specific focus on getting to know the client.

The management of the company regularly reviews the financial and other risks to which it is exposed. The following are considered to be the principal risks that could affect future operating profits or financial position in an adverse and material way:

- Loss of licence to dredge which the company had every reason to expect would be awarded to them;
- Strong competition from other suppliers in the market;
- Availability of dredging plant due to other commitments across the worldwide Boskalis group, and
- Delays or difficulty in obtaining dredging materials due to adverse weather conditions.


These and other risks are under continual review by the management in order that, wherever possible, corrective action can be taken to minimise any adverse effects.

## Environmental statement

The company has recognised that the market it operates in demands appreciation and awareness of the close interaction between business requirements and the environment and it has developed an environmental policy consistent with these.

In addition to further facilitate these principles, the Company is committed to a programme of staff training and to continual investment in the development of innovative equipment and techniques to minimise any impact its activities may have on the environment.

This report was approved by the board of directors on 29<sup>th</sup> August 2019 and signed on its behalf by:

  
P M de Jong  
Director

Westminster House  
Crompton Way  
Fareham  
Hampshire  
PO15 5SS

## Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2018.

The directors consider the results for the year to be in line with expectations.

### Going Concern Statement

The Company has considerable financial resources together with contracts with a number of long-term customers and suppliers in the aggregates industry. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

### Dividends and transfer to reserves

The profit on ordinary activities after taxation of £302,000 (*year ended 31 December 2017: £155,000*) has been transferred to reserves. The directors paid an interim dividend of £1,000,000 (*year ended 31 December 2017: £Nil*) and do not recommend the payment of a final dividend (*year ended 31 December 2017: £Nil*).

### Directors

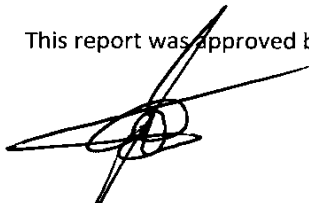
The directors who served during the year and to the date of this report were as follows:

RV Richards  
PM de Jong

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 29<sup>th</sup> August 2019 and signed on its behalf by:



P M de Jong  
Director

Westminster House  
Crompton Way  
Fareham  
Hampshire  
PO15 5SS

## **Statement of directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Statement of comprehensive income**  
*for the year ended 31 December 2018*

	<i>Note</i>	<b>31 December 2018</b> <b>£000</b>	31 December 2017 £000
<b>Turnover</b>	2	<b>4,783</b>	4,316
Cost of sales		<b>(4,146)</b>	(3,907)
		<hr/>	<hr/>
<b>Gross Profit</b>		<b>637</b>	409
Administrative expenses		<b>(242)</b>	(256)
Interest received	6	<b>2</b>	-
Other Income		<b>-</b>	23
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	<b>397</b>	176
Tax on profit on ordinary activities	7	<b>(95)</b>	(21)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation and retained for the financial year</b>		<b>302</b>	155
		<hr/>	<hr/>

The results in both the current and previous years relate to continuing operations.

There are no recognised gains and losses other than the profit for the year reported above. There is also no difference between the profit on ordinary activities before taxation or the retained profit for the year and their historical cost equivalents.

## Statement of financial position

at 31 December 2018

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	9	148	211
<b>Current assets</b>			
Stocks	10	443	452
Debtors	11	1,096	1,774
Cash at bank and in hand		25	24
		<b>1,564</b>	<b>2,250</b>
<b>Creditors:</b> amounts falling due within one year	12	<b>(561)</b>	<b>(612)</b>
<b>Net current assets</b>		<b>1,003</b>	<b>1,638</b>
<b>Total assets less current liabilities</b>		<b>1,151</b>	<b>1,849</b>
<b>Net assets</b>		<b>1,151</b>	<b>1,849</b>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account		1,150	1,848
<b>Equity shareholders' funds</b>		<b>1,151</b>	<b>1,849</b>

### Audit exemption statement

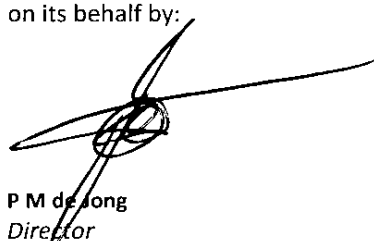
For the year ended 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 7 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 29<sup>th</sup> August 2019 and were signed on its behalf by:

  
 P M de Jong  
 Director

**Statement of changes in equity**  
*for the year ended 31 December 2018*

	Share capital £000	Profit and loss account £000	Total equity £000
At 31 December 2016	1	1,693	1,694
Retained profit for the year	-	155	155
<b>At 31 December 2017</b>	<b>1</b>	<b>1,848</b>	<b>1,849</b>
Retained profit for the year	-	302	302
Dividends paid	-	(1,000)	(1,000)
<b>At 31 December 2018</b>	<b>1</b>	<b>1,150</b>	<b>1,151</b>



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### **Statement of compliance**

Llanelli Sand Dredging Ltd is a limited liability company incorporated in England. The Registered Office is Westminster House, Crompton Way, Fareham, Hampshire, PO15 5SS.

The financial statements have been prepared in accordance with FRS 102 as it applies to the financial statements for the year ended 31 December 2018.

#### **Basis of preparation**

The financial statements of Llanelli Sand Dredging Limited were authorised for issue by the Board of Directors on the date shown on the statement of financial position. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

#### **Going concern**

The company has considerable financial resources together with contracts with a number of long-term customers and suppliers in the aggregates industry. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

#### **Exemptions for Qualifying Entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of disclosure exemptions by the company's shareholders. The results of Llanelli Sand Dredging Limited are included in the consolidated financial statements of Royal Boskalis Westminster N.V which are available from Rosmolenweg 20 PO Box 43 3350 AA Papendrecht Netherlands.

The company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 and 12 Financial Instruments, paragraphs 11.39 to 11.48A and Section 12, paragraphs 12.26 to 12.29A;
- (e) The requirements of Section 33 Related Party Disclosures paragraph 33.7 and 33.8 to 33.14

## Notes (continued)

### Judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. A judgement within the application of FRS 102 with a material effect on the financial statements is the marine licence expensed to the Statement of Comprehensive Income. Details are incorporated in the accounting policies and in the explanatory notes to these items. The estimates and related assumptions are based on management's experience and understanding and the development of external factors that can be considered reasonable under the given circumstances. Estimates and assumptions are subject to alterations as a result of changes to facts and understanding and may have different outcomes per reporting period. The actual results may deviate from results reported previously.

### Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold land and buildings	over period of lease
Plant and machinery	10% - 20%
Office equipment	20% - 25%

### Marine Licences

Expenditure on marine licences is written off when incurred.

### Stocks

Stocks are valued at the lower of estimated cost and net realisable value. Estimated cost is determined by reference to dredging costs and a proportion of overhead expenses.

### Pensions

Boskalis Westminster (Holdings) Limited, of which Llanelli Sand Dredging Limited is a subsidiary, operates a defined benefit pension scheme covering some of the UK Group's salaried employees (the UK Group comprises Boskalis Westminster (Holdings) Limited and its subsidiary undertakings). The scheme funds are administered by a Trustee and are independent of the Group's finances. The defined benefit scheme closed for future accrual on 1 April 2012 and all active members were enrolled in a defined contribution pension scheme. Since the company is unable to identify its share of the UK Group's scheme net assets on a consistent and reliable basis, the scheme is accounted for by Boskalis Westminster (Holdings) Limited.

With effect from 18 March 2019 the Trustees entered into an arrangement with Rothesay Life Plc to buy out the scheme during the financial year ended 31 December 2019.

### Taxation

Deferred tax is recognised in respect of all timing differences and is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

## 2 Turnover

	31 December 2018 £000	31 December 2017 £000
Sand and gravel	4,783	4,316

The turnover and profit before taxation are earned in the United Kingdom for goods supplied and services provided.

## Notes (continued)

### 3 Notes to the statement of comprehensive income

	31 December 2018 £000	31 December 2017 £000
<i>Profit on ordinary activities before taxation is stated after charging / (crediting):</i>		
Depreciation of tangible fixed assets	80	77
Profit on disposal of fixed asset	-	23
Hire of plant and machinery	43	65
Operating leases – land and buildings	36	36
Operating leases – plant and equipment	26	22
	<hr/>	<hr/>

### 4 Directors' remuneration

The directors received no emoluments from the company in the year (*year ended 31 December 2017: ENil*).

### 5 Staff numbers and costs

The average number of persons employed by the company during the year was as follows:

	Number of employees	
	31 December 2018	31 December 2017
Management and administration	2	2
Site and technical	9	9
	<hr/>	<hr/>
	11	11
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	31 December 2018 £000	31 December 2017 £000
Wages and salaries	297	307
Social security costs	42	42
Pension costs	26	26
	<hr/>	<hr/>
	365	375
	<hr/>	<hr/>

### 6 Interest received

	31 December 2018 £000	31 December 2017 £000
Interest received	2	-
	<hr/>	<hr/>

## Notes (continued)

### 7 Taxation

Analysis of charge in year

	31 December 2018 £000	31 December 2017 £000
<i>UK Corporation tax</i>		
Current tax on income for the year	78	35
Adjustment in respect of prior year	10	-
	<hr/>	<hr/>
Total current tax	88	35
<i>Deferred tax</i>		
Reversal of timing differences	7	(14)
	<hr/>	<hr/>
Tax on profit on ordinary activities	95	21
	<hr/>	<hr/>

*Factors affecting the tax charge for the current period*

The tax charge for the year is higher (year ended 31 December 2017: lower) than the standard rate of corporation tax in the UK of 19%, (year ended 31 December 2017: 19.25%). The differences are explained below.

	31 December 2018 £000	31 December 2017 £000
<i>Total tax reconciliation</i>		
Profit on ordinary activities before tax	397	176
	<hr/>	<hr/>
Tax at 19% (year ended 31 December 2017: 19.25%)	75	34
<i>Effects of</i>		
Expenses not deductible for tax purposes	4	(2)
Movement on unrecognised deferred tax	6	(11)
Adjustment in respect of prior year	10	-
	<hr/>	<hr/>
Total tax charge	95	21
	<hr/>	<hr/>

The unrecognised deferred tax asset is set out in note 13.

The above tax balances relate to UK taxes only.

In November 2015, reductions in the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 were fully enacted. In September 2016, a revision to reduce the rate of corporation tax from 1 April 2020 to 17% was fully enacted. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2018 has been calculated based on the rate of 17%.

### 8 Dividends

	31 December 2018 £000	31 December 2017 £000
Amounts recognised as distribution to equity holders in the year:		
Interim dividend	1,000	-
	<hr/>	<hr/>

The directors have not proposed a final dividend for 2017 or 2018.

## Notes (continued)

### 9 Tangible fixed assets

	Short leasehold land and buildings £000	Plant and machinery £000	Office equipment £000	Total £000
<b>Cost</b>				
At 1 January 2018	288	1,130	17	1,435
Additions	-	17	-	17
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	288	1,147	17	1,452
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2018	288	919	17	1,224
Charge for the year	-	80	-	80
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	288	999	17	1,304
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2018	-	148	-	148
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	211	-	211
	<hr/>	<hr/>	<hr/>	<hr/>

### 10 Stocks

	31 December 2018 £000	31 December 2017 £000
Sand and gravel	443	452
	<hr/>	<hr/>
	443	452
	<hr/>	<hr/>

### 11 Debtors

	31 December 2018 £000	31 December 2017 £000
Trade debtors	762	706
Amounts owed by group undertakings	277	1,005
Prepayments and accrued income	57	63
	<hr/>	<hr/>
	1,096	1,774
	<hr/>	<hr/>

## Notes (continued)

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

	31 December 2018 £000	31 December 2017 £000
Trade creditors	35	63
Amounts owed to group undertakings	46	189
Other taxation and social security	40	18
Accruals and deferred income	440	342
	<u>561</u>	<u>612</u>

### 13 Deferred Tax

At 31 December 2018 the company had a deferred tax asset of £14,000 (31 December 2017: £8,000) relating to timing differences between accumulated depreciation and capital allowances. The net deferred tax asset in both periods has not been recognised due to doubt over timing of the eventual crystallisation.

Deferred tax is measured at average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

### 14 Called up share capital

	31 December 2018 £	31 December 2017 £
<b>Authorised</b>		
1,500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 15 Contingent liabilities

The company is party to an unlimited bank cross guarantee with its UK holding company and fellow subsidiaries. At 31 December 2018 the net borrowings by these companies under this arrangement amounted to £Nil (31 December 2017: £Nil).

### 16 Commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2018		2017	
	Land and Buildings £000	Plant and Equipment £000	Land and Buildings £000	Plant and Equipment £000
Within one year	-	26	-	26
Within two and five years	-	3	-	29
	<u>-</u>	<u>29</u>	<u>-</u>	<u>55</u>

## **Notes (continued)**

### **17 Pension scheme**

As explained in the accounting policies on page 8, Boskalis Westminster (Holdings) Limited operates a defined benefit pension scheme covering some of the UK Group's salaried employees. Contributions are determined by a qualified actuary and the most recent valuation was at 1 September 2015. Full details of the scheme are disclosed in the financial statements of Boskalis Westminster (Holdings) Limited. Since the company is unable to identify its share of the UK Group's scheme net assets on a consistent and reliable basis the scheme is accounted for by Boskalis Westminster (Holdings) Limited. The defined benefit pension scheme closed for future accrual on 1 April 2012 and all active members were enrolled in a defined contribution pension scheme. The pension charge in the profit and loss account of Llanelli Sand Dredging Limited for the year was £26,000 (*year ended 31 December 2017: £26,000*).

With effect from 18 March 2019 the Trustees entered into an arrangement with Rothesay Life Plc to buy out the scheme during the financial year ended 31 December 2019.

### **18 Holding and ultimate holding company**

The immediate holding company is Boskalis Westminster (Holdings) Limited, registered in England, and the ultimate holding company is Royal Boskalis Westminster NV, which is incorporated in The Netherlands.

The results of Llanelli Sand Dredging Limited are consolidated by Royal Boskalis Westminster NV and copies of these accounts may be obtained from Rosmolenweg 20, PO Box 43, 3350 AA Papendrecht, The Netherlands.