

SUMMARY FINANCIAL STATEMENTS

6 month period ended 30 September 2021



ISLES OF SCILLY
Steamship
GROUP

Isles of Scilly Steamship Company Limited

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Isles of Scilly Steamship Company Limited

Directors' Report

I am pleased to announce a strong financial performance for the first 6 months of 2021.

Our budget for the year was set prudently due to passenger numbers being somewhat of an unknown at the time of budget setting as Covid-19 restrictions were still in place until 21 June 2021. However, after an initial slow start, the first 6 months has seen relatively high passenger numbers due to the Isles of Scilly being a popular staycation destination this year, a trend that we hope will continue in future years. Passenger numbers were 19% (23,600) above budget overall.

Freight volumes increased by 39% compared to the same period last year as a result of the busy season.

Passenger numbers for April to September were 148,415 (2020: 57,025), an increase of 160% compared to the same period last year as a result of the lifting of Covid-19 restrictions. Skybus passenger numbers were 49,271 (2020: 19,864) and Scillonian III passenger numbers were 99,144 (2020: 37,161). However, compared to 2019 (pre-Covid), Skybus and Scillonian III passenger numbers have fallen by 30% and 6% respectively, partly as a result of Covid-19 but largely due to the impact of competition and this is negatively impacting Skybus' financial performance.

Discussions with the Department for Transport secured a further £905,000 of grant funding in April and May 2021 to support the lifeline operation. The Company also continued to take advantage of the Job Retention Scheme until its expiry on 30 September 2021.

During the first 6 months, the Company has achieved a profit after tax of £5,144,000 (2020: £3,435,000) which is an increase of £1,709,000 compared to last year.

Financial & Operational Review

Compared to the first 6 months of last year, turnover increased by 106% to £12,568,000 (2020: £6,102,000) due to higher passenger numbers as a result of fewer Covid-19 restrictions this year. This is particularly pleasing given the loss of turnover arising from the sale of Penzance Dry Dock (2009) Limited on 8 July 2021 which has not been replaced. Cost of sales only increased by 28% to £8,382,000 (2020: £6,533,000) and therefore the Company made a gross profit in the first 6 months of £4,186,000 (2020: £431,000 loss).

The Government lifeline grant funding of £905,000 (2020: £3,832,000) is shown separately in the accounts. This funding offset the losses incurred in operating the lifeline service during the Covid-19 restrictions.

Net Assets have increased by £5.1m since year-end in line with the level of profit generated.

Outlook

The first six months of trading has put the Company in a strong financial position.

In order to retain as much profit and cash as possible over the loss-making second half of the year, cost-control remains a high priority. Passenger forward sales over winter are currently very low (34% down on 2019), possibly as a result of a reluctance to book travel too far in advance due to the level of Covid-19 infections and potential travel restrictions, but also as a result of competition which continues to impact Skybus passenger numbers.

In addition, over winter a high level of expenditure needs to be incurred to maintain our operational assets.

All of these factors will influence the level of profit able to be retained.

Stuart Reid
Chief Executive Officer
16 November 2021

Isles of Scilly Steamship Company Limited

Consolidated Profit and Loss Account

For the period ended 30 September 2021

	6 months to 30 September 2021 £	6 months to 30 September 2020 £	Year to 31 March 2021 £
Turnover	12,568,266	6,102,034	9,459,282
Cost of sales	(8,382,616)	(6,533,073)	(13,850,508)
Gross profit/(loss)	4,185,649	(431,039)	(4,391,226)
Other operating income	91,387	62,067	788,742
Government grant	905,000	3,832,000	4,155,000
Operating profit	5,182,036	3,463,028	552,516
Unrealised foreign exchange gains on finance lease liabilities			228,000
Other interest receivable and similar income	331	5,146	6,192
Interest payable and similar charges	(38,765)	(33,588)	(73,894)
Profit on ordinary activities before taxation	5,143,603	3,434,586	712,814
Taxation	-	-	3,026
Profit on ordinary activities after taxation	5,143,603	3,434,586	715,840

Isles of Scilly Steamship Company Limited

Consolidated Balance Sheet

As at 30 September 2021

	Notes	30 September 2021 £	30 September 2020 £	31 March 2021 £
Fixed assets				
Intangible assets		387,876	449,466	418,959
Tangible assets		12,561,670	13,205,119	13,181,603
		<u>12,949,546</u>	<u>13,654,584</u>	<u>13,600,562</u>
Current assets				
Stocks		1,564,789	1,228,623	1,431,325
Debtors		1,832,046	1,664,409	1,633,560
Cash at bank and in hand	5	7,634,840	5,878,318	5,781,125
		<u>11,031,676</u>	<u>8,771,350</u>	<u>8,846,010</u>
Creditors: amounts falling due within one year		(4,914,528)	(5,337,098)	(8,398,119)
Net current assets		<u>6,117,148</u>	<u>3,434,252</u>	<u>447,891</u>
Total assets less current assets / (liabilities)		19,066,694	17,088,837	14,048,453
Creditors: amounts falling due after more than one year		(2,543,909)	(3,054,609)	(2,679,271)
Provisions for liabilities and charges		(268,582)	(204,882)	(258,582)
Net assets		<u><u>16,254,203</u></u>	<u><u>13,829,346</u></u>	<u><u>11,110,600</u></u>
Capital and reserves				
Called up share capital		1,411,306	1,411,306	1,411,306
Share premium account		247,239	247,239	247,239
Profit and loss account	2	14,595,658	12,170,801	9,452,055
Total equity	3	<u><u>16,254,203</u></u>	<u><u>13,829,346</u></u>	<u><u>11,110,600</u></u>

Isles of Scilly Steamship Company Limited

Consolidated Statement of Cash Flows

For the period ended 30 September 2021

	Notes	6 months to 30 September 2021 £	6 months to 30 September 2020 £	Year to 31 March 2021 £
Net cash flow from operating activities	4	2,007,196	2,453,525	3,192,097
Returns on investments and servicing of finance				
Interest received		331	5,146	6,192
Interest paid		(38,765)	(33,588)	(73,894)
Net cash flow from returns on investments and servicing of finance		(38,434)	(28,442)	(67,702)
Capital expenditure				
Acquisitions of tangible fixed assets		(374,047)	(2,726,848)	(3,401,700)
Proceeds from sale of tangible fixed assets		358,450	18,000	22,488
Acquisitions of intangible fixed assets		(1,146)	(4,617)	(6,247)
Receipts of government grants		-	-	-
Net cash outflow from capital expenditure		(16,743)	(2,713,465)	(3,385,459)
Financing activities				
Finance lease advanced		-	2,620,000	2,620,000
Repayment of finance lease liabilities		(98,305)	(103,760)	(228,271)
Net cash inflow / (outflow) from financing activities		(98,305)	2,516,240	2,391,729
Net increase in cash in the year		1,853,716	2,227,858	2,130,665
Cash at bank and in hand at the start of period		5,781,125	3,650,460	3,650,460
Net increase in cash in the year		1,853,716	2,227,858	2,130,665
Cash at bank and in hand at the end of the period		7,634,840	5,878,318	5,781,125

Isles of Scilly Steamship Company Limited

Notes to the Financial Statements

For the period ended 30 September 2021

1. Basis of preparation

The interim report and accounts are unaudited. The consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2021 were approved by the Board on the 21st July 2021 and will be delivered to Companies House in accordance with the required timescales. The report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. Profit and loss account

	6 months to 30 September 2021 £
At 31 March 2021	9,452,055
Profit for the period	<u>5,143,603</u>
At 30 September 2021	<u><u>14,595,658</u></u>

3. Reconciliation of movements in shareholders' funds

	6 months to 30 September 2021 £	Year to 31 March 2021 £
Profit for the period	5,143,603	715,840
Dividends	<u>-</u>	<u>-</u>
	5,143,603	715,840
New share capital subscribed	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	5,143,603	715,840
Opening shareholders' funds	<u>11,110,600</u>	<u>10,394,760</u>
Closing shareholders' funds	<u><u>16,254,203</u></u>	<u><u>11,110,600</u></u>

Isles of Scilly Steamship Company Limited

Notes to the Consolidated Statement of Cash Flows

For the period ended 30 September 2021

4. Reconciliation of operating profit to net cash inflow from operating activities

	6 months to 30 September 2021 £	Year to 31 March 2021 £
Profit for the period	5,143,603	715,840
Depreciation and amortisation	690,079	1,277,268
(Profit)/loss on disposal of fixed assets	(22,320)	22,318
Unrealised foreign exchange gains on finance lease liabilities	-	(228,000)
Finance income	(331)	(6,192)
Finance costs	38,765	73,894
Corporation tax expense	-	(3,026)
Decrease/(increase) in stocks	(133,464)	(220,239)
Decrease/(increase) in debtors	(199,257)	18,748
(Decrease)/increase in creditors - deferred income	(3,083,634)	1,880,254
(Decrease)/increase in creditors - other	(364,933)	(408,594)
(Decrease)/increase in provisions	(27,861)	137,582
(Decrease)/increase in government grants	(33,450)	(66,900)
Corporation tax paid	-	(856)
Net cash flow from operating activities	2,007,196	3,192,097

5. Reconciliation of net cash flow to movement in net funds

	6 months to 30 September 2021 £	Year to 31 March 2021 £
Increase in cash	1,853,716	2,130,665
Movement in net funds in the year resulting from cash flows	1,853,716	2,130,665
Opening net funds	5,781,125	3,650,460
Closing net funds	7,634,840	5,781,125