

SUMMARY FINANCIAL STATEMENTS

6 month period ended 30 September 2022



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 2022.

The budget set for 2022-23 provided the necessary level of challenge to keep improving the financial performance of the Company.

Passenger numbers were targeted to be 2% above 2021-22 and over the main season we have achieved this goal with passenger numbers being 9% above last year and 3% above budget overall. Scillonian III passenger numbers to date are 105,000 which is 1% above budget and 6% above the same period last year. Skybus passenger numbers to date are 57,400 which is 6% above budget and 16% above last year.

Financial & Operational Review

During the first 6 months, the Company has achieved a profit before tax of £5.5m (2021: £5.1m) which is an increase of £0.4m (8%) compared to last year.

Compared to the first 6 months of last year, turnover increased by 19% to £15.0m (2021: £12.6m) due to the higher passenger numbers and an improved yield. Freight volumes also increased by 5% compared to the same period last year which has added to the higher level of turnover.

Relative to turnover, cost of sales increased by only 13% to £9.5m (2021: £8.4m). This is despite fuel prices increasing significantly and exchange rates falling dramatically during the period. A combination of fuel hedging, US Dollar forward contracts and robust foreign exchange management has limited the Company's exposure to such financial risks.

Last year the Company received Government grant funding of £905,000 to support lifeline operations during Covid-19 restrictions. No funding was received this year due to there being no such restrictions in place.

The Company continues to strengthen its financial position with net assets increasing by £5.5m since year-end in line with the level of profit generated. Cash balances have increased by £0.9m since year-end and £2.9m over the past 12 months.

Outlook

The Company has continued to improve its financial performance over the first 6 months of trading and has generated an above-budget level of profit.

However, with the level of shipping and aviation maintenance scheduled over winter together with forecast relatively low passenger numbers, the challenge will be to retain as much profit and cash as possible over the loss-making next 6 months.

Nevertheless, we are cautiously optimistic that we will achieve our targeted profit at year-end. This will be achieved through both strict cost control and taking advantage of opportunities to improve revenue over winter, such as the provision of cover for the Aurigny Air service.

Stuart Reid
Chief Executive Officer
25 October 2022

Isles of Scilly Steamship Company Limited

Consolidated Profit and Loss Account

For the period ended 30 September 2022

	6 months to 30 September 2022 £	6 months to 30 September 2021 £	Year to 31 March 2022 £
Turnover	14,954,370	12,568,266	17,176,294
Cost of sales	(9,477,513)	(8,382,616)	(15,692,550)
Gross profit	5,476,858	4,185,649	1,483,744
Other operating income	82,511	91,387	1,049,931
Government grant	-	905,000	-
Operating profit	5,559,368	5,182,036	2,533,675
Other interest receivable and similar income	3,274	331	672
Interest payable and similar charges	(31,060)	(38,765)	(69,824)
Profit on ordinary activities before taxation	5,531,583	5,143,603	2,464,523
Taxation	-	-	(107,571)
Profit on ordinary activities after taxation	5,531,583	5,143,603	2,356,952

Isles of Scilly Steamship Company Limited

Consolidated Balance Sheet

As at 30 September 2022

	Notes	30 September 2022 £	30 September 2021 £	31 March 2022 £
Fixed assets				
Intangible assets		389,215	387,876	418,023
Tangible assets		12,347,676	12,561,670	12,456,062
		<u>12,736,891</u>	<u>12,949,546</u>	<u>12,874,084</u>
Current assets				
Stocks		1,389,084	1,564,789	1,521,316
Debtors		1,749,246	1,832,046	2,204,362
Cash at bank and in hand	5	10,486,469	7,634,840	9,621,197
		<u>13,624,798</u>	<u>11,031,676</u>	<u>13,346,876</u>
Creditors: amounts falling due within one year		(4,855,937)	(4,914,528)	(10,117,443)
Net current assets		<u>8,768,861</u>	<u>6,117,148</u>	<u>3,229,433</u>
Total assets less current liabilities		21,505,752	19,066,694	16,103,518
Creditors: amounts falling due after more than one year		(2,260,795)	(2,543,909)	(2,390,143)
Provisions for liabilities and charges		(245,788)	(268,582)	(245,788)
Net assets		<u><u>18,999,169</u></u>	<u><u>16,254,203</u></u>	<u><u>13,467,587</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	17,340,624	14,595,658	11,809,041
Total equity	3	<u><u>18,999,169</u></u>	<u><u>16,254,203</u></u>	<u><u>13,467,587</u></u>

Isles of Scilly Steamship Company Limited

Consolidated Statement of Cash Flows

For the period ended 30 September 2022

	Notes	6 months to 30 September 2022 £	6 months to 30 September 2021 £	Year to 31 March 2022 £
Net cash flow from operating activities	4	1,608,286	2,007,196	4,676,228
Returns on investments and servicing of finance				
Interest received		3,274	331	672
Interest paid		(31,060)	(38,765)	(73,894)
Net cash flow from returns on investments and servicing of finance		(27,785)	(38,434)	(73,222)
Capital expenditure				
Acquisitions of tangible fixed assets		(587,965)	(374,047)	(781,700)
Proceeds from sale of tangible fixed assets		-	358,450	22,488
Acquisitions of intangible fixed assets		(6,949)	(1,146)	(6,247)
Net cash outflow from capital expenditure		(594,914)	(16,743)	(765,459)
Financing activities				
Repayment of finance lease liabilities		(120,316)	(98,305)	(228,271)
Net cash inflow / (outflow) from financing activities		(120,316)	(98,305)	(228,271)
Net increase in cash in the year		865,271	1,853,716	3,609,276
Cash at bank and in hand at the start of period		9,621,197	5,781,125	6,011,922
Net increase in cash in the year		865,271	1,853,716	3,609,276
Cash at bank and in hand at the end of the period		10,486,469	7,634,840	9,621,197

Isles of Scilly Steamship Company Limited

Notes to the Financial Statements

For the period ended 30 September 2022

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 2022 were approved by the Board on the 20th July 2022 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 2022 £
At 31 March 2022	11,809,041
Profit for the period	<u>5,531,583</u>
At 30 September 2022	<u><u>17,340,624</u></u>

3. Reconciliation of movements in shareholders' funds

	6 months to 30 September 2022 £	Year to 31 March 2022 £
Profit for the period	5,531,583	2,356,987
Dividends	<u>-</u>	<u>-</u>
	5,531,583	2,356,987
New share capital subscribed	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	5,531,583	2,356,987
Opening shareholders' funds	13,467,587	<u>11,110,600</u>
Closing shareholders' funds	<u><u>18,999,169</u></u>	<u><u>13,467,587</u></u>

Isles of Scilly Steamship Company Limited

Notes to the Consolidated Statement of Cash Flows

For the period ended 30 September 2022

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

	6 months to 30 September 2022 £	Year to 31 March 2022 £
Profit for the period	5,531,583	2,356,987
Depreciation and amortisation	732,107	1,281,851
(Profit)/loss on disposal of fixed assets	-	(7,027)
Finance income	(3,274)	(672)
Finance costs	31,060	69,824
Corporation tax expense	-	107,571
Decrease/(increase) in stocks	132,232	(89,991)
Decrease/(increase) in debtors	455,116	(572,931)
(Decrease)/increase in creditors - deferred income	(4,838,030)	960,813
(Decrease)/increase in creditors - other	(423,475)	757,068
(Decrease)/increase in provisions	-	(119,949)
(Decrease)/increase in government grants	(9,032)	(66,900)
Corporation tax paid	-	(416)
Net cash flow from operating activities	<u>1,608,286</u>	<u>4,676,228</u>

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

	6 months to 30 September 2022 £	Year to 31 March 2022 £
Increase in cash	<u>865,271</u>	<u>3,840,073</u>
Movement in net funds in the year resulting from cash flows	865,271	3,840,073
Opening net funds	<u>9,621,198</u>	<u>5,781,125</u>
Closing net funds	<u>10,486,469</u>	<u>9,621,198</u>