

Score Marine Limited  
Annual report and financial statements  
for the 52 weeks ended 28 September 2006

Registered Number SC229821



Score Marine Limited

Annual report and financial statements

for the 52 weeks ended 28 September 2006

Contents

|                                                                                  |   |
|----------------------------------------------------------------------------------|---|
| Company details, directors and advisors for the 52 weeks ended 28 September 2006 | 1 |
| Directors' report for the 52 weeks ended 28 September 2006                       | 2 |
| Independent auditors' report to the members of Score Marine Limited              | 4 |
| Profit and loss account for the 52 weeks ended 28 September 2006                 | 5 |
| Balance sheet as at 28 September 2006                                            | 6 |
| Notes to the financial statements for the 52 weeks ended 28 September 2006       | 7 |

# **Score Marine Limited**

## **Company details, directors and advisors for the 52 weeks ended 28 September 2006**

### **Directors**

Ian Davidson  
Kevin McFarlane  
Moray Melhuish

### **Secretary**

Kevin McFarlane

### **Auditors**

PricewaterhouseCoopers LLP  
32 Albyn Place  
Aberdeen  
AB10 1YL

### **Solicitors**

McClure Naismith  
292 St Vincent Street  
Glasgow  
G2 5TQ

### **Insurers**

Central Insurance Services Limited  
9 Albert Street  
Aberdeen  
AB25 1XX

### **Bankers**

Royal Bank of Scotland  
PO Box 90  
12 Golden Square  
Aberdeen  
AB10 1RB

### **Registered Office**

Glenugie Engineering Works  
Peterhead  
AB42 0YX  
Telephone 01779 480000

### **Registered Number**

SC229821

# Score Marine Limited

## Directors' report for the 52 weeks ended 28 September 2006

The directors present their report and the audited financial statements of the company for the 52 weeks ended 28 September 2006

### Principal activities

The principal activities of the company are that of naval engineering and of supply of naval engineering materials and labour

### Review of business and future developments

The principal customer of Score Marine Limited is the Marine and Auxiliary Systems Integrated Project Team (MXS IPT), which is responsible for naval valves and other auxiliary equipment in the Defence Logistics Organisation of the Ministry of Defence

Turnover this year was down 35% from £1,213,000 to £789,000 which largely reflected reductions in our customer's budget. The fall in turnover, combined with a change in the sales mix, resulted in a pre tax loss of £52,000 compared with a profit of £94,000 from the previous year

Discussions are continuing with the customer to extend the scope of the current contract and negotiations are at an advanced stage

The company is also developing business outwith the MXS IPT both at home and in the export market to address its principal risk of reliance on one customer. Next year the company will relocate to larger premises to enable it to expand to meet the perceived demand for its services

On the whole, it is anticipated that the company's business will grow and return to profitability next year

### Results and dividends

The directors do not recommend the payment of a dividend (2005 £nil). The retained loss for the 52 weeks of £37,244 (2005 profit £67,161) will be deducted from reserves

### Directors

The directors of the company at 28 September 2006 and up to the date of this report are listed on page 1. In accordance with the Articles of Association the directors are not required to retire by rotation

### Directors' interests in shares of the company

None of the directors of the company at 28 September 2006 hold an interest in the shares of the company. However all directors hold an interest in the ultimate parent company, Score Group plc

|                | Ordinary shares of £1 each |             |                   |             |
|----------------|----------------------------|-------------|-------------------|-------------|
|                | 28 September 2006          |             | 29 September 2005 |             |
|                | Number                     | Amount<br>£ | Number            | Amount<br>£ |
| Ian Davidson   | 3,692                      | 3,692       | 3,692             | 3,692       |
| Moray Melhuish | 1,192                      | 1,192       | 192               | 192         |

The other director is also a director of Score Group plc and his interest is disclosed in the financial statements of that company

# Score Marine Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the 52 weeks ended 28 September 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

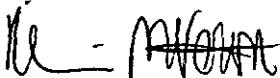
## Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting.

## By order of the Board



Secretary

Peterhead

10 November 2006

# Score Marine Limited

## Independent auditors' report to the members of Score Marine Limited

We have audited the financial statements of Score Marine Limited for the 52 weeks ended 28 September 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

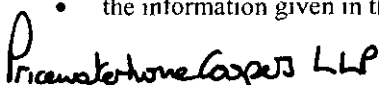
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 September 2006 and of its loss for the 52 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors  
Aberdeen, 13 November 2006

# Score Marine Limited

## Profit and loss account for the 52 weeks ended 28 September 2006

|                                                             | Note | 2006<br>£        | 2005<br>£ |
|-------------------------------------------------------------|------|------------------|-----------|
| <b>Turnover</b>                                             | 2    | <b>789,131</b>   | 1,212,763 |
| Cost of sales                                               |      | <b>(699,944)</b> | (963,890) |
| <b>Gross profit</b>                                         |      | <b>89,187</b>    | 248,873   |
| Net operating expenses                                      | 3    | <b>(155,881)</b> | (169,387) |
| <b>Operating (loss)/profit</b>                              | 4    | <b>(66,694)</b>  | 79,486    |
| Interest receivable                                         |      | <b>14,530</b>    | 14,834    |
| Interest payable and similar charges                        | 7    | <b>(21)</b>      | (103)     |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | <b>(52,185)</b>  | 94,217    |
| Taxation on (loss)/profit on ordinary activities            | 8    | <b>14,941</b>    | (27,056)  |
| <b>Retained (loss)/profit for the financial year</b>        | 16   | <b>(37,244)</b>  | 67,161    |

The above results all relate to continuing operations

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the financial year stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

# Score Marine Limited

## Balance sheet as at 28 September 2006

|                                                       | Note | 2006<br>£ | 2006<br>£ | 2005<br>£ | 2005<br>£ |
|-------------------------------------------------------|------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |           |           |
| Tangible assets                                       | 9    |           | 7,190     |           | 12,265    |
| <b>Current assets</b>                                 |      |           |           |           |           |
| Stock                                                 | 10   | 37,754    |           | 14,004    |           |
| Debtors                                               | 11   | 191,546   |           | 480,998   |           |
| Cash at bank and in hand                              |      |           |           | 607       |           |
|                                                       |      | 229,300   |           | 495,609   |           |
| <b>Creditors: amounts falling due within one year</b> | 12   | (178,294) |           | (408,197) |           |
| <b>Net current assets</b>                             |      |           | 51,006    |           | 87,412    |
| <b>Total assets less current liabilities</b>          |      |           | 58,196    |           | 99,677    |
| <b>Provisions for liabilities and charges</b>         | 13   |           | (7,891)   |           | (12,128)  |
| <b>Net assets</b>                                     |      |           | 50,305    |           | 87,549    |
| <b>Capital and reserves</b>                           |      |           |           |           |           |
| Called up share capital                               | 15   |           | 100       |           | 100       |
| Profit and loss account                               | 16   |           | 50,205    |           | 87,449    |
| <b>Equity shareholder's funds</b>                     | 17   |           | 50,305    |           | 87,549    |

The financial statements on pages 5 to 13 were approved by the board of directors on 10 November 2006 and were signed on its behalf by



**Ian Davidson**  
Director

# Score Marine Limited

## Notes to the financial statements for the 52 weeks ended 28 September 2006

### 1 Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any other costs that are directly attributable to bringing the asset into working condition for its intended use.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|                                         |          |
|-----------------------------------------|----------|
| Fixtures, fittings and office equipment | 25 – 50% |
|-----------------------------------------|----------|

#### **Impairment**

The group performs impairment reviews in respect of fixed assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the recoverable amount of the asset, being the higher of the asset's net realisable value and its value in use, is found to be less than its carrying value, then an impairment loss is recognised.

#### **Stock and work in progress**

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and production overheads based on the normal level of activity. Provision is made where necessary for obsolete, slow moving and defective stocks.

#### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue can be measured reliably. Revenue from product sales is recognised when the company has transferred to the customer the significant risks and rewards of ownership, which is normally upon delivery of the goods. Revenue from services is recognised as the service is provided. Revenues are stated net of sales taxes and trade discounts.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from

## Score Marine Limited

which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non discounted basis.

### Warranty provision

Provision is made, based on an assessment of historical claims made, in respect of the estimated cost of settling claims that may arise on goods sold and services provided, that are still in the warranty period.

### Cash flow statement

The company is a wholly owned subsidiary of Score Group plc and the cash flows of the company are included in the consolidated group cash flow statement of Score Group plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

## 2 Turnover

All sales originate in the United Kingdom.

## 3 Net operating expenses

Net operating expenses are analysed as follows:

|                         | 2006           | 2005           |
|-------------------------|----------------|----------------|
|                         | £              | £              |
| Distribution costs      | 6,833          | 9,208          |
| Administrative expenses | 149,048        | 160,179        |
| Net operating expenses  | <u>155,881</u> | <u>169,387</u> |

## 4 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

|                                       | 2006         | 2005         |
|---------------------------------------|--------------|--------------|
|                                       | £            | £            |
| Depreciation of tangible fixed assets | 5,075        | 5,075        |
| Auditors' remuneration for:           |              |              |
| Audit                                 | 3,000        | 2,500        |
| Other Services                        | <u>1,800</u> | <u>1,500</u> |

## 5 Directors' emoluments

|                      | 2006          | 2005          |
|----------------------|---------------|---------------|
|                      | £             | £             |
| Aggregate emoluments | <u>27,408</u> | <u>23,623</u> |

Two directors are remunerated by Score (Europe) Limited and an amount of £43,117 (2005: £38,722) has been recharged in respect of their services to the company.

## 6 Employee information

The company has no employees.

# Score Marine Limited

## 7 Interest payable and similar charges

|                                       | 2006<br>£ | 2005<br>£ |
|---------------------------------------|-----------|-----------|
| On amounts owed to group undertakings | 21        | 103       |

## 8 Taxation

|                                                          | 2006<br>£       | 2005<br>£     |
|----------------------------------------------------------|-----------------|---------------|
| <b>United Kingdom corporation tax at 30% (2005. 30%)</b> |                 |               |
| current tax (credit)/charge                              | (14,941)        | 27,060        |
| adjustment in respect of prior years                     |                 | 123           |
| <b>Total current tax (credit)/charge</b>                 | <b>(14,941)</b> | <b>27,183</b> |
| Deferred taxation                                        |                 |               |
| origination and reversal of timing differences           |                 | (127)         |
| <b>Total tax charge</b>                                  | <b>(14,941)</b> | <b>27,056</b> |

|                                                        | 2006<br>£ | 2005<br>£ |
|--------------------------------------------------------|-----------|-----------|
| <b>Reconciliation of tax charged to statutory rate</b> |           |           |
| (Loss)/profit on ordinary activities before tax        | (52,185)  | 94,217    |
| Statutory tax rate                                     | 30%       | 30%       |
| Expected tax (credit)/charge                           | (15,656)  | 28,265    |
| Actual current tax (credit)/charge                     | (14,941)  | 27,183    |
| Difference to reconcile                                | 715       | (1,082)   |

### Permanent differences

|                                                         |            |                |
|---------------------------------------------------------|------------|----------------|
| Expenses not deductible for tax purposes                | 167        | 143            |
| Capital allowances in excess of depreciation            | 548        | 223            |
| Tax at marginal rates                                   |            | (1,571)        |
| Adjustments to tax charge in respect of previous period |            | 123            |
|                                                         | <b>715</b> | <b>(1,082)</b> |

# Score Marine Limited

## 9 Tangible assets

|                                         | Fixtures,<br>fittings<br>and office<br>equipment<br>£ |
|-----------------------------------------|-------------------------------------------------------|
| <b>Cost</b>                             |                                                       |
| 29 September 2005 and 28 September 2006 | <u>20,300</u>                                         |
| <b>Depreciation</b>                     |                                                       |
| 29 September 2005                       | 8,035                                                 |
| Charge for the year                     | <u>5,075</u>                                          |
| <b>28 September 2006</b>                | <u>13,110</u>                                         |
| <b>Net book amount</b>                  |                                                       |
| <b>28 September 2006</b>                | <u>7,190</u>                                          |
| 29 September 2005                       | <u>12,265</u>                                         |

## 10 Stocks

| The amounts attributable to different categories are as follows | 2006<br>£     | 2005<br>£     |
|-----------------------------------------------------------------|---------------|---------------|
| Work in progress                                                | 17,355        | 14,004        |
| Finished stocks and goods for resale                            | <u>20,399</u> |               |
|                                                                 | <u>37,754</u> | <u>14,004</u> |

## 11 Debtors

| Amounts falling due within one year | 2006<br>£      | 2005<br>£      |
|-------------------------------------|----------------|----------------|
| Trade debtors                       | 154,236        | 102,503        |
| Amounts owed by group undertakings  | 21,561         | 378,395        |
| Other debtors and prepayments       | 808            | 100            |
| Group relief receivable             | <u>14,941</u>  |                |
|                                     | <u>191,546</u> | <u>480,998</u> |

## Score Marine Limited

### 12 Creditors – Amounts falling due within one year

|                                          | 2006<br>£      | 2005<br>£      |
|------------------------------------------|----------------|----------------|
| Bank overdraft                           | 5,354          |                |
| Trade creditors                          | 68,859         | 114,347        |
| Amounts owed to group undertakings       | 70,076         | 206,008        |
| Other taxation and social security costs | 18,658         | 19,290         |
| Accruals and deferred income             | 15,347         | 44,206         |
| Group relief payable                     |                | 24,346         |
|                                          | <u>178,294</u> | <u>408,197</u> |

Interest is charged on non trading intercompany balances at base rate plus 2.25%

| Other taxation and social security is as follows | 2006<br>£     | 2005<br>£     |
|--------------------------------------------------|---------------|---------------|
| Corporation tax payable                          |               | 5,714         |
| VAT                                              | 18,658        | 13,576        |
|                                                  | <u>18,658</u> | <u>19,290</u> |

### 13 Provisions for liabilities and charges

|                      | Warranty<br>provision<br>£ |
|----------------------|----------------------------|
| 29 September 2005    | 12,128                     |
| Released in the year | (4,237)                    |
| 28 September 2006    | <u>7,891</u>               |

The warranty provision is in respect of sales potentially subject to claims and it is expected that most of these costs will be incurred in the next financial year

### 14 Deferred taxation

A deferred tax asset of £771 (2005 £223) has not been recognised as there is insufficient evidence that the asset would be recoverable

## Score Marine Limited

### 15 Called up share capital

|                                           | 2006<br>£ | 2005<br>£ |
|-------------------------------------------|-----------|-----------|
| <b>Authorised</b>                         |           |           |
| 50,000 ordinary shares of £1 each         | 50,000    | 50,000    |
| <b>Allotted, called up and fully paid</b> |           |           |
| 100 ordinary shares of £1 each            | 100       | 100       |

### 16 Reserves

|                                      | <b>Profit and<br/>loss<br/>account</b><br>£ |
|--------------------------------------|---------------------------------------------|
| 29 September 2005                    | 87,449                                      |
| Retained loss for the financial year | (37,244)                                    |
| 28 September 2006                    | 50,205                                      |

### 17 Reconciliation of movements in shareholder's funds

|                                      | 2006<br>£ | 2005<br>£ |
|--------------------------------------|-----------|-----------|
| (Loss)/profit for the financial year | (37,244)  | 67,161    |
| Opening shareholder's funds          | 87,549    | 20,388    |
| Closing shareholder's funds          | 50,305    | 87,549    |

### 18 Contingent liabilities and financial commitments

The company has an agreement to guarantee the bank borrowings of its ultimate parent company, Score Group plc. The assets of the company are secured by a bond and floating charge.

### 19 Related party disclosures

As the company is a wholly owned subsidiary undertaking it has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose those transactions with other group companies that are eliminated on consolidation.

## **Score Marine Limited**

### **20 Immediate and ultimate parent company and controlling party**

The directors regard Score (Europe) Limited, a company registered in Scotland, as the immediate parent company. Score Group plc, a company registered in Scotland, is the ultimate parent company. The directors regard Mr C B Ritchie as the ultimate controlling party by virtue of his controlling interest in the equity capital of Score Group plc. Copies of Score Group plc consolidated financial statements can be obtained from the company secretary at Glenugie Engineering Works, Peterhead, AB42 0YX.