

Score Marine Limited

Directors' report and financial statements
for the 52 weeks ended 27 September 2007

Registered Number SC229821



Score Marine Limited

Directors' report and financial statements for the 52 weeks ended 27 September 2007

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Score Marine Limited

Company details, directors and advisors

Directors

Ian Davidson

Kevin McFarlane

Moray Melhuish (resigned 25 July 2007)

Secretary

Kevin McFarlane

Auditors

KPMG LLP

37 Albyn Place

Aberdeen

AB10 1JB

Solicitors

McClure Naismith

292 St Vincent Street

Glasgow

G2 5TQ

Insurers

Central Insurance Services Limited

Crown House

Prospect Road

Arnhall Business Park

Westhill

Aberdeen

AB32 6FE

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

The directors present their directors' report and the financial statements of the company for the 52 weeks ended 27 September 2007

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 up 57% from £789,131 to £1,236,705

Results and dividends

The directors do not recommend the payment of a dividend (2006 £nil) The profit for the 52 weeks of £18,663 (2006 loss £37,244) will be taken to reserves

Directors

The directors of the company at 27 September 2007 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

Statement of directors' responsibilities

The directors are responsible for preparing 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 period 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)

The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 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

Score Marine Limited

Directors' report (Cont)

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

PricewaterhouseCoopers LLP resigned as auditors on 23 April 2007 and the directors thereupon appointed KPMG LLP to fill the vacancy. In accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



Secretary

Peterhead

9 November 2007



37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

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 27 September 2007 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.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 September 2007 and of its profit 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

9 November 2007

Score Marine Limited

Profit and loss account for the 52 weeks ended 27 September 2007

	Note	2007 £	2006 £
Turnover	2	1,236,705	789,131
Cost of sales		<u>(1,088,031)</u>	<u>(699,944)</u>
Gross profit		148,674	89,187
Net operating expenses	3	<u>(126,203)</u>	<u>(155,881)</u>
Operating profit/(loss)		22,471	(66,694)
Interest receivable and similar income	7	4,092	14,530
Interest payable and similar charges	8	<u>(294)</u>	<u>(21)</u>
Profit/(loss) on ordinary activities before taxation	4 6	26,269	(52,185)
Taxation on profit/(loss) on ordinary activities	9	<u>(7,606)</u>	<u>14,941</u>
Profit/(loss) for the financial period	17	<u>18,663</u>	<u>(37,244)</u>

The above results all relate to continuing operations

The company has no recognised gains or 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 27 September 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	10		2,115		7,190
Current assets					
Stock	11	12,902		37,754	
Debtors	12	182,831		191,546	
		195,733		229,300	
Creditors' amounts falling due within one year	13	(118,990)		(178,294)	
Net current assets			76,743		51,006
Total assets less current liabilities			78,858		58,196
Provisions for liabilities	14		(9,890)		(7,891)
Net assets			68,968		50,305
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account	17		68,868		50,205
Shareholder's funds	18		68,968		50,305

The financial statements were approved by the board of directors on 9 November 2007 and were signed on its behalf by



Ian Davidson
Director

Score Marine Limited

Notes to the financial statements

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

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%
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Impairment

The company 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 immediately in the profit and loss account.

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.

Score Marine Limited

1 Principal accounting policies (Cont)

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 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	2007	2006
	£	£
Distribution costs	7,160	6,833
Administrative expenses	119,043	149,048
Net operating expenses	126,203	155,881

4 Notes to the profit and loss account

	2007	2006
Profit/(loss) on ordinary activities before taxation is stated after charging	£	£
Depreciation of tangible fixed assets	5,075	5,075
Auditors' remuneration:		
Audit of these financial statements	2,400	3,000

Amounts receivable by the auditor in respect of services to the company, other than the audit of the financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's ultimate parent, Score Group plc.

Score Marine Limited

5 Directors' emoluments

None of the directors receive any emoluments from the company

Two directors are remunerated by Score (Europe) Limited and an amount of £47,425 (2006 £43,117) has been recharged in respect of their services to the company

6 Employee information

The company had no employees in either period

7 Interest receivable and similar income

	2007	2006
	£	£
On amounts due from group undertakings	4,092	14,530

8 Interest payable and similar charges

	2007	2006
	£	£
On amounts owed to group undertakings	294	21

Score Marine Limited

9 Taxation

	2007	2006
	£	£
Analysis of charge (credit) in period		
UK Corporation tax		
Current tax on income for the period	2,167	
Group relief		
Current tax on income for the period	5,439	(14,941)
Total current tax charge being tax on profit/(loss) on ordinary activities	<u>7,606</u>	<u>(14,941)</u>

Factors affecting the tax charge (credit) for the current period

The current tax charge (credit) for the period is lower (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007	2006
	£	£
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	26,269	(52,185)
Current tax at 30% (2006 30%)	7,881	(15,656)
Effects of		
Expenses not deductible for tax purposes	99	167
Depreciation in excess of capital allowances	792	548
Tax at lower rates	(1,166)	
Total current tax charge (credit) (see above)	<u>7,606</u>	<u>(14,941)</u>

Score Marine Limited

10 Tangible assets

	Fixtures, fittings and office equipment £
Cost	
28 September 2006 and 27 September 2007	<u>20,300</u>
Depreciation	
28 September 2006	13,110
Charge for the period	<u>5,075</u>
27 September 2007	<u>18,185</u>
Net book value	
27 September 2007	<u>2,115</u>
28 September 2006	<u>7,190</u>

11 Stocks

The amounts attributable to different categories are as follows

	2007 £	2006 £
Work in progress	3,385	17,355
Finished stocks and goods for resale	<u>9,517</u>	<u>20,399</u>
	<u>12,902</u>	<u>37,754</u>

12 Debtors

Amounts falling due within one year:	2007 £	2006 £
Trade debtors	152,147	154,236
Amounts owed by group undertakings	29,856	21,561
Group relief receivable		14,941
Other debtors and prepayments	<u>828</u>	<u>808</u>
	<u>182,831</u>	<u>191,546</u>

Score Marine Limited

13 Creditors – Amounts falling due within one year

	2007	2006
	£	£
Bank overdraft	41,563	5,354
Trade creditors	38,292	68,859
Amounts owed to group undertakings	21	70,076
Group relief payable	5,439	
Corporation tax	2,167	
Other taxation and social security costs	20,105	18,658
Accruals and deferred income	11,403	15,347
	<u>118,990</u>	<u>178,294</u>

Interest is charged on non trading intercompany balances at base rate plus 2%

14 Provisions for liabilities

	Warranty provision £
28 September 2006	7,891
Net provided in the period	<u>1,999</u>
27 September 2007	<u>9,890</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 period

15 Deferred taxation

A deferred tax asset of £1,454, calculated at 28%, (2006 £771 calculated at 30%) has not been recognised as there is insufficient evidence that the asset would be recoverable

Score Marine Limited

16 Called up share capital

	2007 £	2006 £
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

17 Reserves

	Profit and loss account £
28 September 2006	<u>50,205</u>
Profit for the financial period being retained profit for the financial period	<u>18,663</u>
27 September 2007	<u>68,868</u>

18 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Profit/(loss) for the financial period being retained profit/(loss) for the financial period	18,663	(37,244)
Opening shareholder's funds	<u>50,305</u>	<u>87,549</u>
Closing shareholder's funds	<u>68,968</u>	<u>50,305</u>

19 Contingent liabilities and financial commitments

The company has an agreement to guarantee the bank borrowings of its ultimate parent company, Score Group plc. At 27 September 2007 the net position on the group borrowings was £13,284,112. The assets of the company are secured by a bond and floating charge.

Score Marine Limited

20 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

21 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Score Group plc which is the ultimate parent company incorporated in Scotland

The only group in which the results of the Company are consolidated is that headed by Score Group plc. The consolidated financial statements of the group are available to the public and may be obtained from the company secretary at Glenugie Engineering Works, Peterhead, AB42 0YX. 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.