

Score Marine Limited

Directors' report and financial statements
for the 52 weeks ended 1 October 2009

Registered Number SC229821

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Score Marine Limited
Directors' report and financial statements
for the 52 weeks ended 1 October 2009
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Score Marine Limited

Company details, directors and advisors

Directors

Ian Davidson
Kevin McFarlane
Geoff Pearson

Secretary

Kevin McFarlane

Auditors

KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Solicitors

McClure Naismith
292 St Vincent Street
Glasgow
G2 5TQ

Insurers

Aon Limited
21 Golden Square
Aberdeen
AB10 1RE

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 1 October 2009.

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 continues to be 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 (MoD). The contract currently in place with the MoD provides the stability required to develop and sustain other business opportunities for Score Marine. In March of this year the company was awarded a contract to supply all the valves for the new aircraft carriers being built and commissioned by the UK Government. This is significant in that it provides an immediate revenue stream and a development opportunity for future work in the operational life time of these two ships. In addition to this Score Marine has been successful in securing business with foreign navies and has established itself as an experienced defence contractor with an expertise in valve management.

Turnover for the year was up 147% from £1,067,294 to £2,635,371 in accordance with the expectations of being awarded a major MOD contract.

Results and dividends

The directors do not recommend the payment of a dividend (2008: £nil). The profit for the 52 weeks of £206,034 (2008: profit £172,444) will be taken to reserves.

Directors

The directors of the company at 1 October 2009 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 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 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

Score Marine Limited

Directors' report (Cont)

- 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.

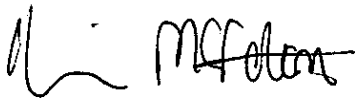
Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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, KPMG 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

11 November 2009



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 1 October 2009 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 October 2009 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

D MacAskill (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

11 November 2009

Score Marine Limited

Profit and loss account for the 52 weeks ended 1 October 2009

	Note	2009 £	2008 £
Turnover	2	2,635,371	1,067,294
Cost of sales		<u>2,243,775</u>	<u>(726,354)</u>
Gross profit		391,596	340,940
Net operating expenses	3	<u>(205,688)</u>	<u>(111,205)</u>
Operating profit		185,908	229,735
Interest receivable and similar income	7	99,917	13,093
Interest payable and similar charges	8	<u>(1,076)</u>	<u>-</u>
Profit on ordinary activities before taxation	4 - 6	284,749	242,828
Taxation on profit on ordinary activities	9	<u>(78,715)</u>	<u>(70,384)</u>
Profit for the financial period	17	<u>206,034</u>	<u>172,444</u>

The above results all relate to continuing operations.

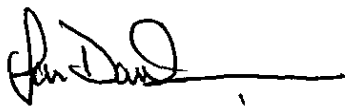
The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

Score Marine Limited

Balance sheet as at 1 October 2009 (SC229821)

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	10		-		-
Current assets					
Stock	11	821,426		14,389	
Debtors	12	7,892,393		480,216	
Cash		435		-	
		<u>8,714,254</u>		<u>494,605</u>	
Creditors: amounts falling due within one year	13	<u>(8,241,007)</u>		<u>(245,059)</u>	
Net current assets			<u>473,247</u>		<u>249,546</u>
Total assets less current liabilities			<u>473,247</u>		<u>249,546</u>
Provisions for liabilities	14		<u>(25,801)</u>		<u>(8,134)</u>
Net assets			<u>447,446</u>		<u>241,412</u>
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account	17		<u>447,346</u>		<u>241,312</u>
Shareholder's funds	18		<u>447,446</u>		<u>241,412</u>

The financial statements were approved by the board of directors on 11 November 2009 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.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. The geographical analysis by destination is as follows:-

	2009 £	2008 £
UK	2,530,121	1,067,294
Rest of the world	105,250	-
	<u>2,635,371</u>	<u>1,067,294</u>

3 Net operating expenses

Net operating expenses are analysed as follows:

	2009 £	2008 £
Distribution costs	11,551	5,193
Administrative expenses	194,137	106,012
Net operating expenses	<u>205,688</u>	<u>111,205</u>

Score Marine Limited

4 Notes to the profit and loss account

	2009	2008
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	-	2,115
Auditors' remuneration:		
Audit of these financial statements	3,300	3,150

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.

5 Directors' emoluments

None of the directors receive any emoluments from the company.

Two (2008: one) directors are remunerated by Score (Europe) Limited and an amount of £70,292 (2008: £18,409) 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

	2009	2008
	£	£
On amounts due from group undertaking	99,807	13,093
Other	110	-
	99,917	13,093

8 Interest payable and similar charges

	2009	2008
	£	£
On amounts owed to group undertaking	188	-
Other	888	-
	1,076	-

Score Marine Limited

9 Taxation

	2009	2008
	£	£
Analysis of charge in period		
UK Corporation tax		
Current tax on income for the period	2,172	1,984
Adjustment in respect of prior periods	137	4,836
	<u>2,309</u>	<u>6,820</u>
Group relief		
Current tax on income for the period	76,600	67,944
Adjustment in respect of prior periods	(194)	(4,380)
	<u>76,406</u>	<u>63,564</u>
Total current tax charge being tax on profit on ordinary activities	<u>78,715</u>	<u>70,384</u>

Factors affecting the tax charge for the current period.

The current tax charge for the period is lower (2008: lower) than the standard rate of corporation tax in the UK of 28% (2008: 29%). The differences are explained below.

	2009	2008
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	284,749	242,828
Current tax at 28% (2008: 29%)	79,730	70,420
Effects of:-		
Expenses not deductible for tax purposes	109	60
Depreciation in excess of capital allowances	(343)	270
Adjustment in respect of prior periods	(57)	456
Tax at lower rates	(724)	(822)
Total current tax charge (see above)	<u>78,715</u>	<u>70,384</u>

Score Marine Limited

10 Tangible assets

	Fixtures, fittings and office equipment £
Cost	
1 October 2009 and 2 October 2008	20,300
Depreciation	
1 October 2009 and 2 October 2008	20,300
Net book value	
1 October 2009 and 2 October 2008	-

11 Stock

The amounts attributable to different categories are as follows:	2009 £	2008 £
Work in progress	1,549	7,572
Finished stocks and goods for resale	819,877	6,817
	821,426	14,389

12 Debtors

Amounts falling due within one year:	2009 £	2008 £
Trade debtors	602,905	111,842
Amounts owed by group undertakings	7,279,418	304,761
Other debtors and prepayments	10,070	63,613
	7,892,393	480,216

Score Marine Limited

13 Creditors – Amounts falling due within one year

	2009	2008
	£	£
Bank overdraft	-	7,429
Trade creditors	819,172	8,218
Amounts owed to group undertakings	433,097	107,386
Group relief payable	76,600	67,944
Corporation tax	2,172	6,897
Other taxation and social security costs	-	32,299
Accruals and deferred income	571,886	14,886
Payments received on account	6,338,080	-
	<u>8,241,007</u>	<u>245,059</u>

In 2008, interest was charged on non-trading intercompany balances at base rate plus 2%. From 1 April 2009 the rate of interest was increased to base rate plus 2.5%.

14 Provisions for liabilities

	Warranty provision
	£
2 October 2008	8,134
Net increase in the period	<u>17,667</u>
1 October 2009	<u>25,801</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 £1,372, calculated at 28%, (2008: £1,715 calculated at 28%) has not been recognised as there is insufficient evidence that the asset would be recoverable in the foreseeable future.

Score Marine Limited

16 Called up share capital

	2009	2008
	£	£
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

17 Reserves

	Profit and loss account
	£
2 October 2008	241,312
Profit for the financial period being retained profit for the financial period	206,034
1 October 2009	447,346

18 Reconciliation of movements in shareholder's funds

	2009	2008
	£	£
Profit for the financial period being net addition to shareholder's funds	206,034	172,444
Opening shareholder's funds	241,412	68,968
Closing shareholder's funds	447,446	241,412

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 1 October 2009 the net position on the group borrowings was £6,891,140 (2008: £14,849,231). The assets of the company are secured by a bond and floating charge.

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.

Score Marine Limited

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.