

Score Marine Limited
Annual report and financial statements
for the 52 weeks ended 27 September 2018

Registered Number SC229821



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Score Marine Limited

Strategic report

Principal Activities

Score Marine Limited provides valve maintenance management services to the Defence and Maritime Industries.

Business Model

Score Marine has a specific expertise and core competence in valve engineering. The Company is part of the Score Group which is the market leading provider of valve management services on a global scale.

The Score Marine model manages whole valve populations in both the operations and project environments by applying its expertise in terms of engineering, new supply, repair and refurbishment, testing, inventory management, commissioning and maintenance planning across the full valve discipline. The company provides these services collectively or in their individual piece parts.

Business Review and Results

The Company turnover for the 52 weeks ended 27 September 2018 was £5.6 million (2017: £10.6 million) with a profit before tax of £0.8 million (2017: £1.3 million). Score Marine's services were again principally delivered to the UK Defence sector in the form of the Ministry of Defence (MoD) and the Prime Contractors who provide front line services to MoD.

The business has been dominated by project management and supply activities and specialist fast track repair and refurbishment work which is a core competence. The nature of these business streams and more specifically the timing of certain aspects of them accounts for the year on year variances in financial performance.

Key Performance Indicators (KPIs)

Score Marine makes extensive use of Key Performance Indicators (KPIs) both externally with its contract customer base and internally as it sets goals and objectives for the organisation which are managed and monitored during the year.

The KPIs selected cover the full spectrum of the Company's performance and are aligned to the Score Group objectives. The target areas include HSE, business performance, customer satisfaction and sustainability, personnel development and ethical compliance. The KPIs are set for continuous improvement purposes at the Company's annual management review meeting and target areas which are important to Score Marine's business, its customers and the wider community.

HSE – The Principal indicator set was that the number of OHSA recordable incidents should be zero. This KPI was met. Supporting that were targets relating to START Cards (Stop, Think, Assess the Risk and Take Action), Toolbox Talks and Individual Safety Leaderships Tours (safety conversations). In addition the Company set and achieved targets to reduce electricity usage and waste to landfill.

Business Performance – The principle indicator set was for the Company to achieve a specific net profit on its business activities for the year and this target was met. Supporting this were targets on quotation turnaround times and ratios for first time builds which pass test for all repair activities.

Customer Satisfaction and Sustainability - The principle indicators set related to on-time delivery performance, non-conformance levels, customer compliments of completed work levels and with the development and attraction of new business to lessen the reliance on specific areas. All of these KPIs were met.

Personnel Development – Targets were set for appraisal completion and competence enhancement which were both met. Note that these are constant processes as new apprentices and continuous personal development programmes have influence.

Ethical Compliance – Targets were set to complete a formal audit of all practices with no compliance breaches permitted and audit was completed with non-conformances identified.

Score Marine Limited

Strategic report (Cont)

The Directors and Officers of the Company are content with both the relevance of the KPIs which were set for the reporting period and performance against these KPIs.

Principal Risks and Uncertainties

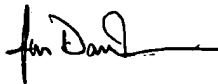
Score Marine in the main part contracts with Government bodies or with Prime Contractors operating on behalf of Government organisations. This has benefits as well as risks in so much as any risks associated with non-payment are relatively low but the uncertainty associated with budget constraints is ever present to some degree. The Company works hard to position itself to deal with such pressures as they arise.

The other principal risk to Score Marine relates to losing or indeed failure to secure the mainframe contracts the Company presently operates and others that it is tendering. These however are general business risks and the Directors of Score Marine acknowledge their responsibilities in managing these and indeed in positioning the Company to deal with changes in Government policies and strategies.

Future Developments

The next 12 months will continue to see Score Marine's business become further influenced by new build projects and Company trading will remain biased in that regard. Score Marine will however continue to provide the complete range of its service provision to its customer base and will maintain its innovative, flexible and agile approach to ensure that it continues to add value to its clients in what is an ever changing environment. Score Marine will also further engage with the Prime Contractors who provide front line services to Government Defence Organisations in both the operational maintenance environment and the new build project sector. The Directors of Score Marine are confident that the Company has prepared properly to deliver an enduring, sustainable business which is valued by its customers.

Signed on behalf of the Board.



Ian Davidson
Director
9 November 2018

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 2018.

Dividends

During the year the Company paid an interim dividend of £500,000 (2017: £1,000,000). The directors do not recommend the payment of a final dividend (2017: £nil).

Directors

The directors of the Company at 27 September 2018 and up to the date of this report are:

Ian Davidson
Geoffrey Pearson
Mathew Whyte
David Buchan

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the Financial statements

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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)

Indemnifications of directors and insurance

The Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Statement of disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is 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 auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1-2.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Mathew Whyte
Secretary
Glenugie Engineering Works
Peterhead
AB42 0YX
9 November 2018

Score Marine Limited

Independent auditor's report to the members of Score Marine Limited

Opinion

We have audited the financial statements of Score Marine Limited ("the Company") for the 52 weeks ended 27 September 2018 which comprise the Statement of profit and loss and retained earnings, balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 September 2018 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

We have nothing to report in these respects.

Score Marine Limited

Independent auditor's report to the members of Score Marine Limited (Cont)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 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.



David Derbyshire (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

37 Albyn Place

Aberdeen

AB10 1JB

9 November 2018

Score Marine Limited

Statement of profit and loss and retained earnings for the 52 weeks ended 27 September 2018

	Note	2018 £	2017 £
Turnover	2	5,623,291	10,618,014
Cost of sales		(4,056,733)	(8,520,267)
Gross profit		1,566,558	2,097,747
Net operating expenses	3	(891,097)	(930,859)
Operating profit		675,461	1,166,888
Interest receivable and similar income	7	124,146	95,759
Interest payable and similar expenses	8	(2,151)	(841)
Profit before taxation	4 – 6	797,456	1,261,806
Tax on profit	9	(152,381)	(246,002)
Profit for the financial period	16	645,075	1,015,804
Retained profit at the beginning of the period		656,973	641,169
Dividends paid		(500,000)	(1,000,000)
Retained profit at the end of the period	16	802,048	656,973

The above results all relate to continuing operations.

The Company has no other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

Score Marine Limited

Balance sheet as at 27 September 2018 (SC229821)

	Note	2018 £	2018 £	2017 £	2017 £
Current assets					
Stocks	10	810,380		197,599	
Debtors	11	5,555,945		5,504,425	
Cash at bank in hand		27,119		1,822	
		<u>6,393,444</u>		<u>5,703,846</u>	
Creditors: amounts falling due within one year	12	<u>(4,663,930)</u>		<u>(4,101,522)</u>	
Net current assets			<u>1,729,514</u>		<u>1,602,324</u>
Total assets less current liabilities			<u>1,729,514</u>		<u>1,602,324</u>
Provisions for liabilities	13		<u>(927,366)</u>		<u>(945,251)</u>
Net assets			<u>802,148</u>		<u>657,073</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		<u>802,048</u>		<u>656,973</u>
Shareholder's funds			<u>802,148</u>		<u>657,073</u>

The financial statements were approved by the board of directors on 9 November 2018 and were signed on its behalf by:



Ian Davidson
Director

Score Marine Limited

Notes to the financial statements

1 Principal accounting policies

Score Marine Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

Basic of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling.

FRS102 reduced disclosure framework

The Company’s parent undertaking, Score Group plc includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with FRS 102 and are available to the public and may be obtained from Glenugie Engineering Works, Peterhead, Aberdeenshire, AB42 0YX. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:-

- Cash flow statement and related notes;
- Key management personnel compensation;
- The reconciliation of the number of shares outstanding from the beginning to the end of the period; and
- The disclosures required by FRS102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36 (4) of schedule 1.

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

The financial statements are prepared on the historical cost basis.

Critical accounting judgement and key sources of estimation uncertainty

The directors consider the key areas where judgements or estimates have a significant effect on the amounts recognised in the financial statements to be the stock provision (**note 10**) and warranty provisions (**note 13**). Detailed accounting policies are provided in this note.

Going concern

The Company’s business activities, together with the factors likely to affect its future developments and position are set out in the Strategic Report on pages 1 and 2. The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. However, as set out in note 17, the Company is party to a cross guarantee arrangement. In March 2017, the Company’s ultimate parent undertaking, Score Group plc, secured bank facilities with HSBC Bank Plc for a minimum period of 3 years. The directors, having assessed the responses to the enquiries of the directors of Score Group plc, believe that it remains appropriate to prepare the financial statements on a going concern basis. Further details on the facilities are provided in the consolidated financial statements of Score Group plc.

Score Marine Limited

1 Principal accounting policies (Cont)

Stock and work in progress

Stock and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first out principle and 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.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen. Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover. Payments received on account are included in creditors and represent payments on account in excess of turnover recognised.

Turnover recognition

Turnover is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of turnover can be measured reliably. Turnover 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. Turnover from services is recognised as the service is provided (see long term contracts accounting policy). Turnover is 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. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Score Marine Limited

1 Principal accounting policies (Cont)

Taxation (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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Score Marine Limited

1 Principal accounting policies (Cont)

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

2 Turnover

All sales originate in the United Kingdom. The geographical analysis by destination is as follows:-

	2018	2017
	£	£
UK	5,452,900	10,618,014
Rest of Europe	-	-
Rest of World	170,391	-
	<u>5,623,291</u>	<u>10,618,014</u>

The analysis of turnover by activity is as follows:

	2018	2017
	£	£
Valve sales	5,130,381	8,653,331
Repairs	337,463	1,398,820
Labour	32,997	3,879
Management fees	122,450	561,984
	<u>5,623,291</u>	<u>10,618,014</u>

The valve sales relate to the sale of products with the remaining activities comprising the sale of services.

Score Marine Limited

3 Net operating expenses

Net operating expenses are analysed as follows:	2018	2017
	£	£
Distribution costs	29,083	84,517
Administrative expenses	862,014	846,342
Net operating expenses	<u>891,097</u>	<u>930,859</u>

4 Expenses and auditor's remuneration

	2018	2017
	£	£
Included in profit/ loss are the following:		
Operating lease rentals for land and buildings	-	150,000
(Gain) on foreign exchange	(1,166)	(1,007)
Auditor's remuneration:		
Audit of these financial statements	<u>5,900</u>	<u>5,800</u>

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's 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' remuneration

None of the directors received any remuneration from the Company. Four (2017: four) directors were remunerated by other group companies and an amount of £103,983 (2017: £76,365) has been recharged in respect of their services to the Company.

6 Staff numbers and costs

The Company had no employees in either period. The aggregate payroll costs of £552,012 (2017: £953,064) for 36 (2017: 64) staff were recharged by a fellow subsidiary undertaking.

7 Interest receivable and similar income

	2018	2017
	£	£
On amounts owed from group undertakings	<u>124,146</u>	<u>95,759</u>

Score Marine Limited

8 Interest payable and similar expenses

	2018	2017
	£	£
On amounts due to group undertaking	2,151	841

9 Taxation

	2018	2017
	£	£
Total tax expense recognised in the profit and loss account		
Current tax		
Current tax on income for the period	151,506	10,000
Adjustments in respect of prior periods	875	-
Total current tax	152,381	10,000
Group relief		
Current tax on income for the period	-	236,002
Adjustments in respect of prior periods	-	-
	-	236,002
Total tax	152,381	246,002

Reconciliation of effective tax rate	2018	2017
	£	£
Profit for the period	645,075	1,015,804
Total tax expense	152,381	246,002
Profit excluding taxation	797,456	1,261,806
Tax using the UK Corporation tax rate of 19% (2017 : 19.5%)	151,517	246,052
Expenses not deductible for tax purposes	46	39
Deferred tax not recognised	(57)	(71)
Other		(18)
Adjustments in respect of prior periods	875	-
Total tax expense included in profit or loss	152,381	246,002

Factors affecting future tax charges

Reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and further to 18% (effective 1 April 2020) were substantively enacted on 26 October by 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The unprovided deferred tax asset at 27 September 2018 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

Score Marine Limited

10 Stocks

The amounts attributable to different categories are as follows:

	2018	2017
	£	£
Work in progress	163,962	38,888
Finished goods	646,418	158,711
	<u>810,380</u>	<u>197,599</u>

Finished goods and work in progress recognised as cost of sales in the year amounted to £2,301,534 (2017: £3,490,397). The write-down of stocks to net realisable value amounted to £8,000 increase in provision (2017: £12,865 increase in provision) and is included in cost of sales.

11 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	852,935	703,544
Amounts owed by group undertakings	4,703,010	4,800,881
	<u>5,555,945</u>	<u>5,504,425</u>

12 Creditors

	2018	2017
	£	£
Amounts falling due within one year:		
Bank loans and overdrafts	-	253,018
Trade creditors	396,380	462,740
Amounts owed to group undertakings	884,996	1,476,286
Corporation tax	151,506	9,143
Group relief	-	236,002
Taxation and social security	260,240	506,443
Accruals and deferred income	343,829	517,068
Payments received on account	2,626,979	640,822
	<u>4,663,930</u>	<u>4,101,522</u>

Interest was charged on non-trading intercompany debtor and creditor balances at base rate plus 2.5%. Included within bank loans and overdrafts is an amount of £nil (2018: £253,018) relating to invoice financing secured against certain trade debtors which is undertaken on a full non-recourse basis.

Score Marine Limited

13 Provisions for liabilities

	Warranty provision £
Balance at 28 September 2017	945,251
Provisions used during the period	(92,567)
Provisions made during the period	74,682
Provisions reversed during the period	
27 September 2018	927,366

The warranty provision is in respect of sales potentially subject to claims and it is expected that the non-project element of these costs will be incurred in the next financial period.

14 Deferred taxation

A deferred tax asset of £234, consisting entirely of decelerated capital allowances, calculated at 17%, (2017: £285) has not been recognised as there is insufficient evidence that the asset would be recoverable in the foreseeable future.

15 Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

During the period, the Directors paid a dividend of £500 per share (2017: £1,000 per share). No final dividend was recommended.

16 Reserves

	Profit and loss account £
28 September 2017	656,973
Profit for the financial period	645,075
Dividends paid	(500,000)
27 September 2018	802,048

Dividends comprise an interim dividend paid in respect of the current year of £500,000 (2017: £1,000,000). The aggregate amount of dividends proposed, but not included in these accounts at the period end is £nil (2017: £nil).

Score Marine Limited

17 Contingent liabilities and financial commitments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. The Company has an agreement to guarantee the bank borrowings of its ultimate parent company, Score Group plc. At 27 September 2018 the net position on the group borrowings was £nil (2017: £6,031,407). The assets of the Company are secured by a bond and floating charge.

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	Land & Buildings 2018 £	Land & Buildings 2017 £	Other 2018 £	Other 2017 £
Less than one year	-	150,000	6,639	-
Between one and five years	-	600,000	7,745	-
More than five years	-	450,000	-	-
	-	1,200,000	14,384	-

18 Related party disclosures

As the Company is a wholly owned subsidiary of Score Group plc, the Company has taken advantage of the exemption contained in FRS 102, paragraph 33.1A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

19 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 consider Mrs B Ritchie to be the ultimate controlling party by virtue of her controlling interest in the equity capital of Score Group plc.