

Score Marine Limited
Annual report and financial statements
for the 53 weeks ended 2 January 2025

Registered Number SC229821

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Score Marine Limited

Strategic report

Principal Activities

Score Marine Limited provides valve 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 53 weeks ended 2 January 2025 was £12.7 million (2023: £14.1 million) with a profit before tax of £3.0 million (2023: £3.6 million). Score Marine's services were again principally delivered to the UK Defence sector in the form of the Ministry of Defence (MoD) through the Prime Contractors who provide front line services to MoD and ad-hoc services to other providers.

The business successfully focused on project management, supply activities, and specialist fast-track repair and refurbishment work. The timing of these business streams can influence year-on-year performance with more fast-track repair and refurbishment work in the prior year, yet they remain a core strength of the Company.

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.

Health, Safety, and Environment (HSE) - Achieved zero OHSA recordable incidents, with additional targets met for START Cards, Toolbox Talks, Safety Leadership Tours, reduced electricity usage, and minimized waste to landfill.

Business Performance - Successfully met the specific EBITDA target, demonstrating strong financial health.

Customer Satisfaction and Sustainability - Exceeded targets for on-time delivery, non-conformance levels, customer compliments, and development of new business, showcasing outstanding service quality and client relationships.

Personnel Development - Continuous improvement in appraisal completion and competence enhancement, supported by new apprenticeships and personal development programs.

Ethical Compliance - Completed a formal audit of practices with no compliance breaches, affirming the company's commitment to high ethical standards.

Security - Maintained robust security monitoring systems, with successful external audits confirming full compliance.

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

While Score Marine primarily contracts with government bodies and Prime Contractors, providing stability and low non-payment risks, it also faces some uncertainties. These include:

Government Budget Constraints - The company is well-prepared to adapt to potential budget fluctuations.

Labour Market Dynamics - The company actively addresses skilled labour retention in a competitive market.

Rising Costs and Material Shortages - The company effectively manages increased operational costs and supply chain pressures.

Contract Security - The company is focused on securing and retaining key contracts, recognizing this as vital to ongoing success.

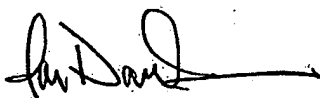
The directors are proactive in managing these risks, ensuring the company remains resilient and adaptable to changing policies and strategies.

Future Developments

Looking ahead, Score Marine is poised for continued growth and success. The next 12 months will see ongoing involvement in new build projects and expanded support to other Group entities entering the defence sector. Score Marine remains dedicated to delivering its full range of innovative and flexible services, continually adding value for its clients. Increased engagement with Prime Contractors will further strengthen the company's position in both operational maintenance and new build project sectors. The directors are confident in the company's ability to maintain its sustainable, client-valued business in an ever-evolving environment.

By maintaining a positive outlook and strategic focus, Score Marine is well-positioned to continue its trajectory of success, ensuring ongoing value and excellence in all its endeavours.

Signed on behalf of the Board.



Ian Davidson
Director
30 September 2025

Score Marine Limited

Directors' report

The directors present their directors' report and the financial statements of the Company for the 53 weeks ended 2 January 2025.

Principal Activities

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

Dividends

During the period the Company paid an interim dividend of £500,000 (2023: £1,500,000). The directors do not recommend the payment of a final dividend (2023: £nil).

Directors

The directors of the Company who served during the 53 week period ended 2 January 2025 and up to the date of this report are:

David Buchan (resigned 30 September 2024)

Geoffrey Pearson (resigned 28 March 2024)

Ian Davidson

Mathew Whyte

James Geddes (appointed 12 August 2024)

Anita McRobbie (appointed 26 August 2024)

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 period (2023: £nil).

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.

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

Ian M Cheyne Building

Glen Test Facility

Wellbank

Peterhead

AB42 3GL

30 September 2025

Score Marine Limited

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.

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 53 weeks ended 2 January 2025 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 2 January 2025 and of its profit for the 53 week period 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

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

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular;

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates and the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included; revenue and cash journals posted to unusual or unexpected accounts; and journals with specific descriptions which may indicate high risk.
- Re-performing for a risk-based sample of fixed prices contracts, the calculation of revenue recognised based on percentage completion of costs, and comparing forecasts against contractual terms and correspondence with customers.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 period 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.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

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

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.



Deborah Ramsay (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS

30 September 2025

Score Marine Limited

Statement of profit and loss and retained earnings for the 53 weeks ended 2 January 2025

	Note	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Turnover	2	12,676,750	14,090,227
Cost of sales		(8,906,062)	(9,628,605)
Gross profit		3,770,688	4,461,622
Net operating expenses	3	(777,801)	(824,489)
Operating profit		2,992,887	3,637,133
Profit before taxation	4 – 6	2,992,887	3,637,133
Tax on profit	7	(747,386)	(853,847)
Profit for the financial period	15	2,245,501	2,783,286
Retained profit at the beginning of the period		5,435,371	4,152,085
Dividends paid		(500,000)	(1,500,000)
Retained profit at the end of the period	15	7,180,872	5,435,371

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.

The accompanying notes form an integral part of financial statements.

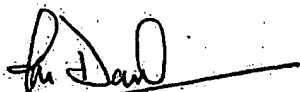
Score Marine Limited

Balance sheet as at 2 January 2025 (SC229821)

	Note	2 January 2025 £	28 December 2023 £
Fixed assets			
Tangible assets	8	81,469	28,328
Current assets			
Stocks	9	1,079,300	1,400,959
Debtors	10	15,804,097	12,570,162
Cash at bank in hand		2,350	659
		<u>16,885,747</u>	<u>13,971,780</u>
Creditors: amounts falling due within one year	11	<u>(8,461,478)</u>	<u>(7,470,092)</u>
Net current assets		<u>8,424,269</u>	<u>6,501,688</u>
Total assets less current liabilities		<u>8,505,738</u>	<u>6,530,016</u>
Provisions for liabilities	12	<u>(1,324,766)</u>	<u>(1,094,545)</u>
Net assets		<u>7,180,972</u>	<u>5,435,471</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	<u>7,180,872</u>	<u>5,435,371</u>
Shareholder's funds		<u>7,180,972</u>	<u>5,435,471</u>

The accompanying notes form an integral part of financial statements.

The financial statements were approved by the board of directors on 30 September 2025 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.

Basis 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 intermediate parent undertaking, Buchan 2 Limited 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 Ian M Cheyne Building, Glen Test Facility, Wellbank, Peterhead, Aberdeenshire, AB42 3GL. 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;
- As the consolidated financial statements of D2Z Limited and Buchan 2 Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures;
- The disclosures required by FRS 102.26 Share-based Payments;
- 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.

Amendments to FRS 102 not yet applied

The following amendments to FRS 102 have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated:

- Amendments to Section 20 *Leases* (effective 1 January 2026). This removes the distinction between operating and finance leases for lessees; with more leases recognised with an asset and liability on-balance sheet. Recognition exemptions permit short-term leases and leases of low-value assets to remain off-balance sheet.
- Amendments to Section 23 *Revenue from Contracts with Customers* (effective 1 January 2026). This introduces a single comprehensive five-step model for revenue recognition for all contracts with customers, based on identifying the distinct goods or services promised to the customer and the amount of consideration to which the entity will be entitled in exchange.
- Amendments to Section 2A *Fair Value Measurement* (effective 1 January 2026). This aligns definitions with latest international standards and provides additional guidance.
- Amendments to Section 26 *Share-based Payment* (effective 1 January 2026). This provides additional guidance aiding application of the principles in certain situations.

Score Marine Limited

1 Principal accounting policies (Cont)

Amendments to FRS 102 not yet applied (Cont)

- Amendments to Section 29 Income Tax (effective 1 January 2026). This introduces guidance on accounting for uncertain tax positions

Accounting estimates and judgements

(a) Key sources of estimation uncertainty

The directors consider the key areas where estimates have a significant effect on the amounts recognised in the financial statements to be within:

Revenue recognition on long term contracts

A limited number of customer contracts can span a longer term and judgement is required by the directors over the timing of recognition of revenue and attributable profit. In addition, estimation is required regarding the remaining costs to incur, stage of completion and expected final profitability. The estimates are considered by the directors on a contract-by-contract basis using past experience and knowledge as well as consideration of the specific circumstances. Risk is mitigated by agreeing long term pricing for materials used over the contract life.

Stock provision

The directors estimate the lower of cost and net realisable value for stocks through evaluation of sales trends and stock ageing, based on historic experience, as well as current market prices. Inventory provisions and assumptions are assessed at least annually at year-end. Specific provision is made for items which are obsolete or for which there are specific market changes. There has been no change in the methodology or assumptions used to estimate stock provisions in the year.

Warranty provision calculation

Warranty provisions are calculated based on sales activity in the period using historic trends to evaluate the likely level and value of claims which may arise. Specific provision is assessed for any claims raised by customers based on their facts and circumstances.

(b) Critical accounting judgements in applying the Company's accounting policies

The directors have not made any critical accounting judgements in applying the Company's accounting policies apart from those involving estimations included above.

Going concern

The Directors have prepared the financial statements using the going concern basis for the following reasons. The Company's business activities together with factors likely to affect its future developments and position are set out in the Strategic Report. At 2 January 2025, the Company had net current assets of £8.4m, net assets of £7.2m and profit after tax of £2.2m for the 53 week trading period then ended.

The Company is part of D2Zero Limited consolidated Group. Cash flow forecasts have therefore been prepared for the D2Zero Group for at least 12 months from the date of approval of the financial statements. The forecast allows for a reasonably possible severe but plausible reduction in forecast customer turnover and operating profit. Under both the base and downside forecasts, the directors forecast that the D2Z Group will have sufficient liquidity to meet its financial obligations.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least the next 12 months and therefore have prepared the financial statements on a going concern basis.

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

Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the turnover recognition policy) less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

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 policy). Turnover is stated net of sales taxes and trade discounts.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. 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 provided on timing differences which arise from the inclusion of income and expenses 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, associates, branch, joint ventures 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.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Score Marine Limited

1 Principal accounting policies (Cont)

Taxation (Cont)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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.

Share-based payment transactions

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on an observable market price/company specific observable market data/using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

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.

Score Marine Limited

1 Principal accounting policies (Cont)

Classification of financial instruments issued by the Company (Cont)

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.

Tangible fixed assets

Tangible fixed assets are stated at purchase cost, together with any other costs that are directly attributable to bringing the asset into working condition for its intended use, less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets less their 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:

	%
Plant and machinery	25
Electrical equipment	50

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Score Marine Limited

1 Principal accounting policies (Cont)

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.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses 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 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Score Marine Limited

1 Principal accounting policies (Cont)

Leases (Cont)

Finance lease

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Score Marine Limited

2 Turnover

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

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
UK	11,252,940	13,909,985
Europe	1,172,364	80,537
Rest of World	251,446	99,705
	<u>12,676,750</u>	<u>14,090,227</u>

The analysis of turnover by activity is as follows:

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Valve sales	12,399,936	13,638,607
Repairs	147,633	336,958
Labour	129,181	114,662
	<u>12,676,750</u>	<u>14,090,227</u>

The valve sales relate to the sale of products with the remaining activities comprising the sale of services. Included within revenue is £7,392,769 (2023: £9,828,580) of revenue earned from contracts.

3 Net operating expenses

Net operating expenses are analysed as follows:

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Distribution costs	76,558	68,541
Administrative expenses	701,243	755,948
Net operating expenses	<u>777,801</u>	<u>824,489</u>

Score Marine Limited

4 Expenses and auditor's remuneration

Included in profit/ loss are the following:	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Depreciation of tangible fixed assets (note 8)	13,647	7,959
Operating lease rentals	7,949	5,177
Loss/ (gain) on foreign exchange	23,601	(23,066)
Management fee	326,952	411,235
Auditor's remuneration:		
Audit of these financial statements	<u>121,373</u>	<u>57,000</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 parent, D2Z Limited and Buchan 2 Limited.

5 Directors' remuneration

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Directors' emoluments	234,394	219,590
Company contributions to defined contribution pension plan (note 17)	<u>6,815</u>	<u>6,791</u>
Total	<u>241,209</u>	<u>226,381</u>

Included in the above is a recharge from other group companies of £53,848 (2023: £45,052) for three (2023: two) directors for their services to this Company.

No directors exercised share options in the year.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £117,419 (2023: £102,994), and company pension contributions of £3,342 (2023: £2,639) were made to a money purchase scheme on their behalf.

Score Marine Limited

6 Staff numbers and costs

The average number of persons employed by the Company (including executive directors) during the period was as follows:

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
By activity		
Production	18	18
Selling & distribution	10	9
Administration	3	6
	<u>31</u>	<u>33</u>

The aggregate payroll costs of the persons were as follows:

	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Wages	1,204,510	1,133,954
Social security costs	111,163	101,953
Company contributions to defined contribution pension plan (note 17)	44,908	41,909
Total	<u>1,360,581</u>	<u>1,277,816</u>

Score Marine Limited

7 Taxation

Total tax expense recognised in the profit and loss account	53 weeks ended 2 January 2025 £	52 weeks ended 28 December 2023 £
Current tax		
Current tax on income for the period	308,000	853,847
Group relief		
Current tax on income for the period	439,386	-
Total tax	747,386	853,847
Reconciliation of effective tax rate		
	53 weeks ended 2 January 2025 £	52 weeks ended 29 December 2023 £
Profit for the period	2,245,501	2,783,286
Total tax expense	747,386	853,847
Profit excluding taxation	2,992,887	3,637,133
Tax using the UK Corporation tax rate of 25% (2023: 23.52055%)	748,222	855,474
Expenses not deductible	45	228
Group relief surrendered / (claimed)	(439,386)	-
Payment / (receipt) for group relief	439,386	-
Income not taxable for tax purposes	(50)	-
Remeasurement of deferred tax for changes in tax rates	-	116
Deferred tax not recognised	(831)	(1,971)
Total tax expense included in profit or loss	747,386	853,847

Factors affecting future tax charges

The unprovided deferred tax liability at 2 January 2025 has been calculated based on the rate of 25% substantively enacted at the balance sheet date.

Score Marine Limited

8 Tangible fixed assets

	Motor vehicles £	Plant and machinery £	Electrical Equipment £	Total £
Cost				
28 December 2023	-	39,267	20,301	59,568
Additions	7,995	58,793	-	66,788
2 January 2025	7,995	98,060	20,301	126,356
Depreciation				
28 December 2023	-	10,939	20,301	31,240
Charge for the period	222	13,425	-	13,647
2 January 2025	222	24,364	20,301	44,887
Net book value				
28 December 2023	-	28,328	-	28,328
2 January 2025	7,773	73,696	-	81,469

9 Stocks

The amounts attributable to different categories are as follows:

	2 January 2025 £	28 December 2023 £
Work in progress	466,349	285,573
Finished goods	612,951	1,115,386
	1,079,300	1,400,959

Finished goods and work in progress recognised as cost of sales in the period amounted to £9,201,696 (2023: £5,850,471). The write-down of stocks to net realisable value amounted to a £44,068 (2023: £26,333 increase in provision) and is included in cost of sales.

Score Marine Limited

10 Debtors

Amounts falling due within one year:	2 January 2025 £	28 December 2023 £
Trade debtors	2,246,387	2,502,823
Amounts owed by group undertakings	13,165,625	10,013,884
Prepayments and accrued income	325,865	40,210
Other debtors	66,220	13,245
	<u>15,804,097</u>	<u>12,570,162</u>

Amounts owed by group undertakings are due on demand but are not expected to be settled within 12 months of the balance sheet date.

11 Creditors

Amounts falling due within one year:	2 January 2025 £	28 December 2023 £
Trade creditors	2,008,670	809,089
Amounts owed to group undertakings	90,043	586,139
Corporation tax	308,000	853,847
Taxation and social security	131,718	523,500
Accruals and deferred income	1,142,875	535,858
Group relief	439,386	-
Payments received on account	4,334,606	4,105,333
Other Creditors	6,180	56,326
	<u>8,461,478</u>	<u>7,470,092</u>

Score Marine Limited

12 Provisions for liabilities

	Warranty provision £
At 28 December 2023	1,094,545
Provisions used during the period	(40,955)
Provisions made during the period	271,176
At 2 January 2025	<u>1,324,766</u>

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. 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. To the extent that claims are not made within the warranty period, amounts may reverse in future periods.

13 Deferred taxation

A deferred tax liability of £179, calculated at 25% (2023: £652 asset calculated at 25%) consisting of decelerated capital allowances of £2,492 (2023: £1,980) and £2,313 (2023: £2,632) of disallowable provisions has not been recognised as there is insufficient evidence that the asset will be recordable in foreseeable future.

14 Called up share capital

	2 January 2025 £	28 December 2023 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

During the period, the Directors paid a dividend of £5,000 per share (2023: £15,000 per share). No final dividend was recommended.

Score Marine Limited

15 Reserves

	Profit and loss account
	£
28 December 2023	5,435,371
Profit for the financial period	2,245,501
Dividends paid	(500,000)
2 January 2025	<u>7,180,872</u>

The Profit and loss account comprises cumulative undistributed earnings of the company. Dividends comprise an interim dividend paid in respect of the current period of £500,000 (2023: £1,500,000). The aggregate amount of dividends proposed, but not included in these accounts at the period end is £nil (2023: £ nil).

16 Contingent liabilities and financial commitments

The Company has an agreement to guarantee the bank borrowings of its intermediate parent company, Buchan 1 Limited. At 2 January 2025 the net position on the group borrowings was £92,956,774 (2023 (previously held in Buchan 2 Ltd): £31,704,819). 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:

	2 January 2025	28 December 2023
	£	£
Less than one year	57,044	-
Between one and five years	-	-
	<u>57,044</u>	<u>-</u>

During the year £7,843 (2023: £nil) was recognised as an expense in the profit and loss account in respect of operating leases.

17 Pension contributions

The Company contributes to individual employee personal pension plans. Contributions in the period amounted to £44,908 (2023: £41,909). Contributions amounting to £9,252 (2023: £9,021) were payable at the period end and are included in creditors.

Score Marine Limited

18 Related party disclosures

As the Company is a wholly owned subsidiary of Buchan 1 Limited, 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.

The company's customers and supply-chain includes certain companies who are related parties by virtue of their ultimate investor. During the period the company made sales of £nil (2023: £nil) and purchases of £nil (2023: £472) to these related parties.

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 (Europe) Limited, incorporated in Scotland. Its ultimate parent undertaking is D2Zero Limited. The ultimate parent company is incorporated in Scotland. The only group in which the results of the Company are consolidated is that headed by D2Z Limited and Buchan 2 Limited. The consolidated financial statements of the group are available to the public and may be obtained from the company secretary at Ian M Cheyne Building, Glen Test Facility, Wellbank, Peterhead, AB42 3GL. At the balance sheet date and at date of these financial statements, the directors regard SCF-IX LP to be the ultimate controlling party by virtue of its controlling interest in the equity capital of D2Zero Limited.