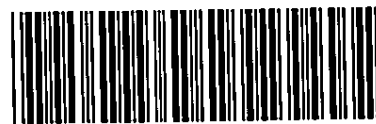


Company Registration No. SC249331 (Scotland)

THE EUROPEAN MARINE ENERGY CENTRE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

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COMPANIES HOUSE

THE EUROPEAN MARINE ENERGY CENTRE LIMITED

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THE EUROPEAN MARINE ENERGY CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE EUROPEAN MARINE ENERGY CENTRE LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of The European Marine Energy Centre Limited for the year ended 30 June 2011 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Ivan Houston FCCA (Senior Statutory Auditor)
for and on behalf of A. J. B. Scholes Limited

23 November 2011

Chartered Accountants
Statutory Auditor

8 Albert Street
Kirkwall
Orkney
KW15 1HP

THE EUROPEAN MARINE ENERGY CENTRE LIMITED

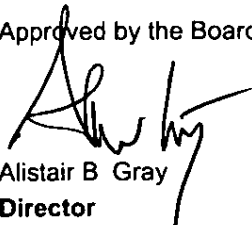
ABBREVIATED BALANCE SHEET

AS AT 30 JUNE 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	2		6,526		72,848
Tangible assets	2		11,172,830		6,441,987
			<u>11,179,356</u>		<u>6,514,835</u>
Current assets					
Debtors		844,230		909,055	
Cash at bank and in hand		877,211		1,473,080	
		<u>1,721,441</u>		<u>2,382,135</u>	
Creditors: amounts falling due within one year		<u>(1,060,233)</u>		<u>(1,443,064)</u>	
Net current assets			<u>661,208</u>		<u>939,071</u>
Total assets less current liabilities			<u>11,840,564</u>		<u>7,453,906</u>
Accruals and deferred income			<u>(10,946,344)</u>		<u>(6,843,789)</u>
			<u>894,220</u>		<u>610,117</u>
Capital and reserves					
Other reserves			2,565,000		2,565,000
Profit and loss account			(1,670,780)		(1,954,883)
Shareholders' funds			<u>894,220</u>		<u>610,117</u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 23 November 2011


Alistair B Gray
Director

Company Registration No. SC249331

THE EUROPEAN MARINE ENERGY CENTRE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Intellectual property

Intellectual properties are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line basis
Plant and machinery	20% - 25% straight line basis
Computer equipment	33% straight line basis
Fixtures, fittings & equipment	20% straight line basis

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Pensions

The company contributes to personal pension plans for the benefit of some employees at a rate of 10% of salary. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.10 Government grants

Grants towards capital are credited to deferred revenue and released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are credited to the profit and loss account as the related expenditure is incurred.

THE EUROPEAN MARINE ENERGY CENTRE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 July 2010	786,230	6,806,850	7,593,080
Additions	-	7,625,766	7,625,766
At 30 June 2011	786,230	14,432,616	15,218,846
Depreciation			
At 1 July 2010	713,382	364,863	1,078,245
Charge for the year	66,322	2,894,923	2,961,245
At 30 June 2011	779,704	3,259,786	4,039,490
Net book value			
At 30 June 2011	6,526	11,172,830	11,179,356
At 30 June 2010	72,848	6,441,987	6,514,835

3 Related party relationships and transactions

Other transactions

Highlands and Islands Enterprise (HIE) is a member of the company.

Capital and revenue grants received or receivable from HIE amounted to £2,562,679 (2010: £2,027,046).

HIE also provided working capital funding support, credited directly to reserves, of £nil (2010: £565,000).

Debtors at the balance sheet date include £56,520 (2010: £492,808) receivable from HIE.

During the period, the company contributed £150,000 towards capital works undertaken at the Billia Croo substation by HIE. This sum is included in plant & machinery additions in the balance sheet. Creditors falling due within one year include £150,000 (2010: £nil) due to HIE in respect of this transaction.

Creditors at the balance sheet date also include £43,200 (2010: £nil) relating to capital grants received in advance from HIE.

JWG Consulting Limited (JWC), a company controlled by Mr John Griffiths, supplied services, additional to his directorship, to the value of £18,343 (2010: £11,823) to the company.

Creditors at the balance sheet date included £1,320 (2010: £4,455) due to JWG.