

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2010
for
ABS Marine Services Limited**

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ABS Marine Services Limited (Registered number 02562242)

**Contents of the Financial Statements
for the Year Ended 31 December 2010**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8

ABS Marine Services Limited
Company Information
for the Year Ended 31 December 2010

DIRECTORS	A Nassif G P Kelly
SECRETARIES:	M Mannix Ms S Barton
REGISTERED OFFICE	EQE House, The Beacons Warrington Road Birchwood Warrington Cheshire WA3 6WJ
REGISTERED NUMBER	02562242 (England and Wales)
AUDITORS	Ernst & Young LLP 1 More London Place London SE1 2AF
BANKERS	National Westminster Bank plc 5 Ormskirk St, St Helens, Merseyside WA10 1DR

ABS Marine Services Limited (Registered number 02562242)

**Report of the Directors
for the Year Ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The company provides marine consultation, third party inspection and other technical services to the marine industry

REVIEW OF BUSINESS

The Key financial indicators during the year were as follows

	2010	2009	Change
Turnover	1,105,662	934,168	171,494
Gross Profit	219,316	194,423	24,893
Gross Profit % Sales	20%	21%	-1%

ABS Marine Services (the Company) continued to grow during 2010. During the year the business has consolidated its relationship with existing clients while expanding its services to new customers. This trend is anticipated to continue through 2011. As with 2010, the business strategy is to develop new services and to be recognised as a leading independent consultant in the maritime finance sector. These additional services will include due diligence of marine and offshore projects and milestone monitoring on behalf of financial institutions. Margin rates have suffered in the year due to the difficult market conditions.

DIVIDENDS

The directors do not recommend the payment of a dividend (2009 £nil)

The total recognised gain for the year of £94,579 (2009 loss of £48,263) has been transferred to reserves

DIRECTORS

The directors who held office during the year were as follows

Antoine Nassif
Garry Kelly

GOING CONCERN

On the basis that the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal risks are from a shortage of suitably qualified inspectors in the ship industry and from fluctuations in exchange rates. The utilisation of staff from other ABS Group companies lessens the risk of skills shortage while the effects of movement in exchange rates are mitigated by matching revenue and expense currencies whenever possible. The company policy of billing all intercompany expenses denominated in US dollars could give rise to realised gains and losses on foreign exchange should there be any change to the existing policy.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

ABS Marine Services Limited (Registered number 02562242)

**Report of the Directors
for the Year Ended 31 December 2010**

DISCLOSURE OF INFORMATION TO THE AUDITORS

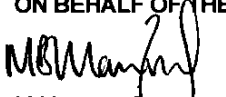
So far as each person who is a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD


M Mannix - Secretary

Date 27 September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABS MARINE SERVICES LIMITED

We have audited the financial statements of ABS Marine Services Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Denise Larnder (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Ernst & Young LLP

Date *29 September 2011*

ABS Manne Services Limited (Registered number: 02562242)

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
TURNOVER	2	1,105,662	934,168
Cost of sales		<u>886,346</u>	<u>739,745</u>
GROSS PROFIT		219,316	194,423
Administrative expenses		<u>176,668</u>	<u>179,522</u>
		42,648	14,901
Other operating income		-	1,805
OPERATING PROFIT	4	<u>42,648</u>	<u>16,706</u>
Interest receivable and similar income	5	<u>25,025</u>	-
		67,673	16,706
Interest payable and similar charges	6	<u>12</u>	<u>11</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		67,661	16,695
Tax on profit on ordinary activities	7	<u>(12,056)</u>	<u>(12,306)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>79,717</u></u>	<u><u>29,001</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

ABS Marine Services Limited (Registered number 02562242)

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2010**

	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR	79,717	29,001
Currency translation adjustments	14,862	(77,264)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>94,579</u>	<u>(48,263)</u>

The notes form part of these financial statements

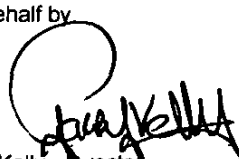
ABS Manne Services Limited (Registered number: 02562242)

**Balance Sheet
31 December 2010**

	Notes	2010 £	£	2009 £	£
FIXED ASSETS					
Tangible assets	10		6,388		939
CURRENT ASSETS					
Debtors	11	5,148,097		3,855,246	
Cash at bank		11,515		123,693	
		<u>5,159,612</u>		<u>3,978,939</u>	
CREDITORS					
Amounts falling due within one year	12	<u>4,304,271</u>		<u>3,212,728</u>	
NET CURRENT ASSETS			<u>855,341</u>		<u>766,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>861,729</u>		<u>767,150</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,471,318		1,471,318
Profit and loss account	14		(609,589)		(704,168)
SHAREHOLDERS' FUNDS	17		<u>861,729</u>		<u>767,150</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 24th September 2011 and were signed on its behalf by


G P Kelly - Director

The notes form part of these financial statements

ABS Marine Services Limited (Registered number 02562242)

**Notes to the Financial Statements
for the Year Ended 31 December 2010**

1 ACCOUNTING POLICIES

Basis of preparation

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

The accounts have been prepared on a going concern basis, as in the general interests of the Company, the parent company ABS Group Inc will continue to provide financial and other support to ABS Marine Services Limited at least for the next twelve months and thereafter for the foreseeable future to enable it to continue to trade

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of the American Bureau of Shipping, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with other wholly owned entities which form part of the group, or investees of the group qualifying as related parties. The American Bureau of Shipping produces consolidated financial statements the address of the company can be found within note 16

Accounting policies

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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers during the year. Revenue is recognised on a percentage of completion basis

Tangible fixed assets

Tangible assets are stated at cost less depreciation. Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Computer equipment	-	Over lower of 3 to 5 years or the lease term
Fixtures and fittings	-	10% Straight line

Deferred tax

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax has not been recognised as the directors consider that it is unlikely that there will be suitable taxable profits which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Assets and liabilities in overseas branches are translated into Sterling at the rates of exchange ruling at the balance sheet date. Profit and loss accounts of such branches are translated at the average rates of exchange during the year. Any differences are taken to reserves and disclosed in Statement of Total Recognised Gains and Losses

Intercompany balances are treated as monetary assets and in accordance with SSAP 20 the revaluation of prior year balances is included in the statement of total recognised gains and losses

ABS Manne Services Limited (Registered number: 02562242)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

1 ACCOUNTING POLICIES - continued

Pension costs

One employee of the company participates in a pension scheme operated by its immediate parent company, providing benefits based on final pensionable pay. The required disclosures for the scheme can be found in the accounts of ABS Europe Limited. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

In addition to this the company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 TURNOVER

Turnover, profit on ordinary activities before tax and net assets are analysed as follows

	Turnover £	2010 Net Assets £	Attributable pre-tax profit £	Turnover £	2009 Net Assets £	Attributable pre-tax profit £
By activity						
Third party inspection	1,015,274	830,469	73,201	900,934	663,790	27,969
Other technical services	90,388	31,261	6,517	33,234	103,360	1,032
	<u>1,105,662</u>	<u>861,730</u>	<u>79,718</u>	<u>934,168</u>	<u>767,150</u>	<u>29,001</u>
By geographical market						
UK	66,447	861,730	4,791	32,349	767,150	1,005
Europe	75,527	-	5,446	24,068	-	747
Rest of World	963,688	-	69,482	877,751	-	27,249
	<u>1,105,662</u>	<u>861,730</u>	<u>79,718</u>	<u>934,168</u>	<u>767,150</u>	<u>29,001</u>

3 STAFF COSTS

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	Number of employees	
	2010	2009
Operational	1	1
Administrative	2	2
	<u>3</u>	<u>3</u>

The aggregate payroll of these persons were as follows

	2010 £	2009 £
Wages and salaries	170,921	158,268
Social security costs	16,192	18,001
Other pension costs	24,422	23,706
	<u>211,535</u>	<u>199,975</u>

ABS Marine Services Limited (Registered number 02562242)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

4 OPERATING PROFIT

	2010 £	2009 £
Profit/(Loss) on ordinary activities before tax is stated after charging		
Auditors' remuneration		
Audit	11,900	11,679
Depreciation	2,349	616
	<u>11,900</u>	<u>11,679</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Translational exchange (loss) arising on intra-group trading balances	13,276	(6,102)
Translational exchange gain/(loss) arising on foreign currency receipts and payments	11,749	7,907
	<u>25,025</u>	<u>1,805</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest on bank accounts	(12)	(11)
	<u>(12)</u>	<u>(11)</u>

7 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
Prior year corporation tax	(12,056)	(12,306)
Tax on profit on ordinary activities	<u>(12,056)</u>	<u>(12,306)</u>

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>67,661</u>	<u>16,695</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	18,945	4,675
Effects of		
Capital allowance for the period in excess of depreciation	(370)	172
(Decrease)/Increase in unrelieved tax losses to carry forward	(18,070)	(4,372)
Permanent differences for tax purposes	(505)	(475)
Group relief surrendered to other group companies in respect of prior years	<u>(12,056)</u>	<u>(12,306)</u>
Current tax credit	<u>(12,056)</u>	<u>(12,306)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

7 **TAXATION - continued**

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £156,429 (2009 unrecognised £176,889) in respect of tax losses and other timing differences. Legislation was introduced in Finance (No 2) Act 2010 to reduce the main rate of corporation tax from 28% to 27% which effect from 1 April 2011. The effect of this reduction is reflected in the unrecognised deferred tax asset of £156,429.

On 23 March 2011 as part of the 2011 Budget, the UK government has announced its intention to legislate to reduce the rate to 26% with effect from 1 April 2011 and further by 1% per annum falling to 23% with effect from 1 April 2014. The reduction to 26% has subsequently been enacted under the provisions of the Provisional Collection of Taxes Act 1968. The directors estimate the maximum effect of these rate changes will be to reduce the unrecognised deferred tax asset to £133,254.

8 **COST OF SALES AND ADMINISTRATIVE EXPENSES**

Cost of sales of £886,346 (2009 £739,745) comprise salaries, related labour costs, subcontract labour costs and client reimbursable expenses.

Administrative expenses comprises

	2010 £	2009 £
Office costs	41,690	42,183
Systems and telecommunications	8,941	11,501
Intercompany Support Services	65,524	73,212
Other Administrative expenses	60,513	52,626
	<u>176,668</u>	<u>179,522</u>

9 **REMUNERATION OF DIRECTORS**

	2010 £	2009 £
Aggregate emoluments in respect of qualifying services	<u>82,888</u>	<u>83,013</u>
Company contributions to money purchase pension schemes	<u>21,632</u>	<u>21,181</u>
Number of directors accruing benefits under money purchase pension schemes	<u>1</u>	<u>1</u>

During the year, only one director received remuneration from the company.

10 **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2010	38,146	15,246	53,392
Additions	-	7,798	7,798
At 31 December 2010	<u>38,146</u>	<u>23,044</u>	<u>61,190</u>
DEPRECIATION			
At 1 January 2010	38,146	14,307	52,453
Charge for year	-	2,349	2,349
At 31 December 2010	<u>38,146</u>	<u>16,656</u>	<u>54,802</u>
NET BOOK VALUE			
At 31 December 2010	<u>-</u>	<u>6,388</u>	<u>6,388</u>
At 31 December 2009	<u>-</u>	<u>939</u>	<u>939</u>

ABS Marine Services Limited (Registered number 02562242)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

11 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade debtors	529,989	305,719
Amounts owed by parent and undertakings	4,563,949	3,549,527
Other debtors	54,159	-
	<u>5,148,097</u>	<u>3,855,246</u>

All Debtor balances are due within 1 year

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	9,310	17,372
Amounts owed to parent and undertakings	4,218,128	3,143,149
Accruals and deferred income	76,833	52,207
	<u>4,304,271</u>	<u>3,212,728</u>

All Creditor balances are due within 1 year

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
1,471,318	Ordinary	£1	<u>1,471,318</u>	<u>1,471,318</u>

14 RESERVES

	Profit and loss account £
At 1 January 2010	(704,168)
Profit for the year	79,717
Exchange adjustments	14,862
At 31 December 2010	<u>(609,589)</u>

15 PENSION COMMITMENTS

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total pension cost for the year was £24,422 (2009 £23,706). Contributions unpaid but accrued at the balance sheet date were nil (2009 nil).

One employee of the company is a member of a pension scheme providing benefits based on final pensionable pay operated by the related company, ABS Europe Limited. The employer pension costs have been paid by ABS Marine Services Limited to ABS Europe Limited. The appropriate disclosures regarding these costs are included in the financial statements of ABS Europe Limited.

ABS Marine Services Limited (Registered number 02562242)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

16 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of The American Bureau of Shipping, an entity incorporated by special statute in the United States of America

The largest group in which the results of the company are consolidated is that headed by The American Bureau of Shipping, an entity incorporated by special statute in the United States of America. The consolidated accounts are available from the following address

ABS Plaza
16855 North Chase Drive
Houston
TX 77060
USA

The smallest group in which they are consolidated is that headed by ABS Europe Limited, a company incorporated in the United Kingdom. The consolidated accounts are available from the following address

No 1 Frying Pan Alley,
London, E1 7HR

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Profit for the financial year	79,717	29,001
Other recognised gains and losses relating to the year (net)	14,862	(77,264)
Net addition/(reduction) to shareholders' funds	94,579	(48,263)
Opening shareholders' funds	767,150	815,413
Closing shareholders' funds	861,729	767,150