

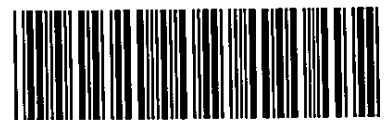
09/02/2012

**ABS Marine Services Limited**

## **Report and financial statements**

**Year ended 31 December 2009**

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## **Company Details**

### **Directors**

Antoine Nassif

Garry Kelly (appointed 30 November 2009)

### **Secretary**

Michael Mannix

### **Auditors**

Ernst & Young LLP

1 More London Place,

London SE1 2AF

### **Bankers**

National Westminster Bank plc

5 Ormskirk St, St Helens,

Merseyside WA10 1DR

### **Registered Office**

EQE House, The Beacons,

Warrington Road, Birchwood,

Warrington,

Cheshire, WA3 6WJ

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

### Principal activities

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

### Business review

The key financial indicators during the year were as follows

	2009	2008	Change
Turnover	934,168	687,423	246,745
Gross Profit	194,423	126,798	67,625
Gross Profit % Sales	21%	18%	3%

Despite a pessimistic economic forecast for 2009, ABS Marine Services turnover increased. This growth is credited to repeat business from established call-off contracts. This trend is anticipated to continue through 2010. The company future business strategy for 2010 is to develop new services, particularly in the areas of maritime finance and offshore asset life extension studies. Margin rates have benefited in the year due to the strength of the US dollar against sterling.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2008 £nil)

The total recognised loss for the year of £48,263 (2008 gain of £202,760) has been transferred to reserves

### Directors and their interests

The directors who held office during the year were as follows

Antoine Nassif  
Adam Moilanen (resigned 30 November 2009)  
Garry Kelly (appointed 30 November 2009)

### Going Concern

After making reasonable enquiries, the directors have a reasonable expectation that the Company and the Group have 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 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 foreign exchange exposure should there be a change to the existing practice that these balances are not settled.

**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.

**Auditor**

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.

On behalf of the board

Garry Kelly  
Director  
EQE House  
The Beacons  
Warrington Road  
Birchwood  
Warrington  
WA3 6WJ



12/01/2011

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the 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 the 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 judgments 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, and
- 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 proper 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 to 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.

## **Independent auditors' report to the members of ABS Marine Services Limited**

We have audited the financial statements of ABS Marine Services Limited for the period ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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.

### **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 2009 and of its loss 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.

**Independent Auditors' report to the members of ABS Marine Services Limited**  
*(continued)*

**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

Date 13 January 2011

*Ernst & Young LLP*



**Profit and loss account**  
*for the year ended 31 December 2009*

	<i>Note</i>	<b>Year ended 31 December 2009 £</b>	<b>Year ended 31 December 2008 £</b>
Turnover	2	934,168	687,423
Cost of sales	3	(739,745)	(560,625)
<b>Gross profit</b>		<b>194,423</b>	<b>126,798</b>
Administrative expenses	3	(179,522)	(151,840)
<b>Operating profit/(loss)</b>		<b>14,901</b>	<b>(25,042)</b>
Interest Receivable and other similar income	4	1,805	-
Interest Payable and other similar charges	5	(11)	(28,496)
<b>Profit/(loss) on ordinary activities before tax</b>	6	<b>16,695</b>	<b>(53,538)</b>
Tax on profit/(loss) on ordinary activities	9	12,306	-
<b>Profit/(loss) for the financial year</b>	14	<b>29,001</b>	<b>(53,538)</b>

The notes on pages 9 to 16 form part of these financial statements

All trading in the current and prior year results from continuing operations

**Statement of total recognised gains and losses**  
*for the year ended 31 December 2009*

	<b>2009 £</b>	<b>2008 £</b>
<b>Profit/(loss) for the financial year</b>	<b>29,001</b>	<b>(53,538)</b>
Currency translation adjustments	(77,264)	256,298
<b>Total recognised gains and (losses) relating to the financial year</b>	<b>(48,263)</b>	<b>202,760</b>

**Balance sheet**  
*at 31 December 2009*

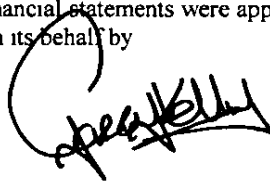
	Note	2009	2008
		£	£
<b>Fixed assets</b>			
Tangible assets	10	939	760
<b>Current assets</b>			
Debtors	11	3,855,246	3,793,649
Cash at bank and in hand		123,693	37,942
		<u>3,891,602</u>	<u>3,831,591</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,212,728)</u>	<u>(3,016,938)</u>
<b>Net current assets</b>		<u>766,211</u>	<u>814,653</u>
<b>Net assets</b>		<u>767,150</u>	<u>815,413</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,471,318	1,471,318
Profit and loss account	14	(704,168)	(655,905)
<b>Equity shareholders' funds</b>	15	<u>767,150</u>	<u>815,413</u>

The notes on pages 9 to 16 form part of these financial statements

These financial statements were approved by the board of directors on  
signed on its behalf by

12<sup>th</sup> January

2011 and were

  
Garry Kelly

ABS Marine Services Limited Registered number 2562242  
Director

## Notes to the financial statements

### 1 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

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost accounting rules and on a going concern basis

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 consolidated financial statements of The American Bureau of Shipping, within which this company is included, can be obtained from the address given in note 17

#### *Tangible fixed assets and depreciation*

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
Furniture and equipment	-	10% per annum

#### *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.

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.

#### *Deferred Tax*

The charge for taxation is based on the loss 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 are not sufficiently certain of future taxable profits from which the reversal of the underlying timing differences can be deducted.

#### *Pensions*

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 contributions payable to the scheme in respect of the accounting period.

## Notes (continued)

### 2 Turnover and Segmental analysis

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.

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

	Turnover	2009 Net Assets	Attributable pre-tax profit	Turnover	2008 Net Assets	Attributable pre-tax (loss)
	£	£	£	£	£	£
<i>By activity</i>						
Third party inspection	900,934	663,790	27,969	639,624	756,565	(49,815)
Other technical services	33,234	103,360	1,032	47,799	58,848	(3,723)
	<u>934,168</u>	<u>767,150</u>	<u>29,001</u>	<u>687,423</u>	<u>815,413</u>	<u>(53,538)</u>
<i>By geographical market</i>						
UK	32,349	767,150	1,005	8,718	815,413	(679)
Europe	24,068	-	747	193,007	-	(15,032)
Rest of World	877,751	-	27,249	485,698	-	(37,827)
	<u>934,168</u>	<u>767,150</u>	<u>29,001</u>	<u>687,423</u>	<u>815,413</u>	<u>(53,538)</u>

### 3 Cost of Sales and Administrative Expenses

Cost of sales of £739,745 (2008 £560,625) comprise salaries, related labour costs, subcontract labour costs and client reimbursable expenses.

Administrative expenses comprises:

	2009 £'000	2008 £'000
Office costs	42,183	24,781
Systems and telecommunications	11,501	4,800
Intercompany Support Services	73,212	52,539
Other administrative expenses	52,626	69,720
	<u>179,522</u>	<u>151,840</u>

### 4 Interest receivable and similar income

	2009 £	2008 £
Translational exchange (loss) arising on intra-group trading balances	(6,102)	-
Translational exchange gain/(loss) arising on foreign currency receipts and payments	7,907	-
	<u>1,805</u>	<u>-</u>

**Notes** *(continued)*

**5 Interest payable and similar charges**

	2009	2008
	£	£
Interest on bank accounts	(11)	(3)
Translational exchange (loss) arising on intra-group trading balances	-	(60,689)
Translational exchange gain arising on foreign currency receipts and payments	-	32,196
	<u>(11)</u>	<u>(28,496)</u>

**6 Profit/(Loss) on ordinary activities before tax**

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
<i>Profit/(Loss) on ordinary activities before tax is stated after charging:</i>		
Auditors' remuneration		
Audit	11,679	30,000
Depreciation	<u>616</u>	<u>292</u>

**7 Remuneration of directors**

	2009 £'000	2008 £'000
Aggregate emoluments in respect of qualifying services	<u>83</u>	<u>-</u>
Company contributions to money purchase pension schemes	<u>21</u>	<u>-</u>
Number of directors accruing benefits under money purchase pension schemes	<u>1</u>	<u>-</u>

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

**Notes** *(continued)*

**8 Staff numbers and costs**

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

	<b>Number of employees</b>	
	<b>2009</b>	<b>2008</b>
Operational	<b>1</b>	<b>1</b>
Administration	<b>2</b>	<b>1</b>
	<hr/>	<hr/>
	<b>3</b>	<b>2</b>
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	<b>Year ended 31 December 2009 £</b>	<b>Year ended 31 December 2008 £</b>
Wages and salaries	<b>158,268</b>	<b>66,745</b>
Social security costs	<b>18,001</b>	<b>6,642</b>
Other pension costs	<b>23,706</b>	<b>18,326</b>
	<hr/>	<hr/>
	<b>199,975</b>	<b>91,713</b>
	<hr/>	<hr/>

**Notes** *(continued)*

**9 Taxation**

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Tax on profit/(loss) on ordinary activities <i>UK corporation tax</i>		
Current tax on income for the period	12,306	-
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	12,306	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

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

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Profit / (Loss) on ordinary activities before tax	16,695	(53,538)
	<hr/>	<hr/>
Current tax (charge) / credit at 28% (2008 28%)	(4,675)	14,991
	<hr/>	<hr/>
Capital allowances for the period in excess of depreciation	596	887
Decrease / (Increase) in unrelieved tax losses to carry forward	4,091	(15,866)
Expenses not deductible for tax purposes	(12)	(12)
Group relief surrendered to other group companies in respect of prior years	12,306	-
	<hr/>	<hr/>
Total current tax credit	12,306	-
	<hr/>	<hr/>

A deferred tax asset of £176,889 (2008 £204,002) has not been recognised in respect of tax losses and other timing differences. This will be available to relieve future profits of the company.

**Notes (continued)**

**10 Tangible fixed assets**

	Computer equipment £	Furniture and equipment £	Total £
<i>Cost</i>			
At beginning and end of year	14,451	38,146	52,597
Additions	795	-	795
	<hr/>	<hr/>	<hr/>
At end of year	15,246	38,146	53,392
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	13,691	38,146	51,837
Charge for year	616	-	616
	<hr/>	<hr/>	<hr/>
At end of year	14,307	38,146	52,453
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2009	939	-	939
	<hr/>	<hr/>	<hr/>
At 31 December 2008	760	-	760
	<hr/>	<hr/>	<hr/>

**11 Debtors**

	2009 £	2008 £
Trade debtors	305,719	221,089
Amounts owed by parent and fellow subsidiary undertakings	3,549,527	3,571,706
Other debtors	-	854
	<hr/>	<hr/>
	3,855,246	3,793,649
	<hr/>	<hr/>

**12 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	17,372	41,400
Amounts owed to parent and fellow subsidiary undertakings	3,143,149	2,867,190
Accruals and deferred income	52,207	108,348
	<hr/>	<hr/>
	3,212,728	3,016,938
	<hr/>	<hr/>



**Notes (continued)**

**13 Authorised and issued share capital**

	2009 £	2008 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>1,471,318</u>	<u>1,471,318</u>

**14 Reserves**

	Profit and loss account £
At beginning of year	(655,905)
Profit/(loss) for the year	29,001
Exchange adjustments	(77,264)
<b>At end of year</b>	<u><b>704,168</b></u>

**15 Reconciliation of movements in shareholders' funds**

	2009 £	2008 £
Profit/(loss) for the year	29,001	(53,538)
Currency translation adjustments	(77,264)	256,298
Net decrease in shareholders' funds	<u>(48,263)</u>	<u>202,760</u>
Opening equity shareholders' funds	<u>815,413</u>	<u>612,653</u>
<b>Closing equity shareholders' funds</b>	<u><b>767,150</b></u>	<u><b>815,413</b></u>

**16 Pension scheme**

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 £23,706 (2008: £18,326). Contributions unpaid but accrued at the balance sheet date were nil (2008: nil).

Some employees of the company are also members 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.

**Notes** *(continued)*

**17 Ultimate parent company and parent undertaking of larger group of which the company is a member**

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