

REGISTERED NUMBER: 02562242 (England and Wales)

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2014
for
ABS Marine Services Limited**

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for the Year Ended 31 December 2014**

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ABS Marine Services Limited
Company Information
for the Year Ended 31 December 2014

DIRECTORS:	G P Kelly T Grove
SECRETARIES:	M Mannix Ms S Barton
REGISTERED OFFICE:	ABS House 1 Frying Pan Alley London E1 7HR
REGISTERED NUMBER:	02562242 (England and Wales)
AUDITORS:	Ernst & Young LLP, Statutory Auditor 1 More London Place London SE1 2AF
BANKERS:	National Westminster Bank plc 5 Ormskirk St. St. Helens Merseyside WA10 1DR

**Report of the Directors
for the Year Ended 31 December 2014**

The Director presents his report with the financial statements of the Company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

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

DIRECTOR

G P Kelly held office during the whole of the period from 1 January 2014 to the date of this report.

Other changes in directors holding office are as follows:

T Grove was appointed as a director on 1 May 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). Under company law the Director must not approve the financial statements unless he is 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 Director is 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 Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

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 the Company's auditor, the 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

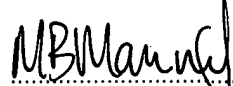
Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

ABS Marine Services Limited (Registered number: 02562242)

**Report of the Directors
for the Year Ended 31 December 2014**

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: 7 July 2015

**Report of the Independent Auditors to the Members of
ABS Marine Services Limited (Registered number: 02562242)**

We have audited the financial statements of ABS Marine Services Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Director's Responsibilities Statement set out on page 2, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
ABS Marine Services Limited (Registered number: 02562242)**

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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Ernst & Young LLP

Denise Larnder (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF

Date: *9 July 2015*

ABS Marine Services Limited (Registered number: 02562242)

**Profit and Loss Account
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 £
TURNOVER	3	838,227	799,863
Cost of sales		<u>784,302</u>	<u>625,148</u>
GROSS PROFIT		53,925	174,715
Administrative expenses		<u>207,842</u>	<u>168,695</u>
OPERATING (LOSS)/PROFIT	4	(153,917)	6,020
Interest payable and similar charges		<u>3,300</u>	<u>3,456</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(157,217)	2,564
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>(944)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(157,217)</u></u>	<u><u>3,508</u></u>

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 2014**

	2014 £	2013 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(157,217)	3,508
Currency translation adjustments	183,016	(14,977)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>25,799</u>	<u>(11,469)</u>

The notes form part of these financial statements

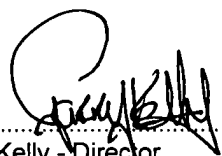
ABS Marine Services Limited (Registered number: 02562242)

**Balance Sheet
31 December 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	230	966
CURRENT ASSETS			
Debtors	9	6,322,602	5,593,501
Cash at bank		133,622	153,362
		<u>6,456,224</u>	<u>5,746,863</u>
CREDITORS			
Amounts falling due within one year	10	<u>5,785,467</u>	<u>5,102,641</u>
NET CURRENT ASSETS		<u>670,757</u>	<u>644,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>670,987</u></u>	<u><u>645,188</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	1,471,318	1,471,318
Profit and loss account	12	<u>(800,331)</u>	<u>(826,130)</u>
SHAREHOLDERS' FUNDS		<u><u>670,987</u></u>	<u><u>645,188</u></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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 7 July 2015 and were signed on its behalf by:


.....
G P Kelly - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2014**

1. GOING CONCERN

The financial statements have been prepared on a going concern basis, as in the general interests of the Company, the parent company ABS Group Inc. has undertaken to continue to provide financial and other support to ABS Marine Services Limited for the next 12 months from the date of signing of these financial statements and thereafter for the foreseeable future to enable it to continue to trade.

2. ACCOUNTING POLICIES

Basis of preparation

As the Company is a wholly owned subsidiary of The American Bureau of Shipping, the Company has taken advantage of the exemption contained in Financial Reporting Standard (FRS) 8: 'Related Party Disclosures' and has therefore not disclosed transactions or balances with other group companies 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 14.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

Turnover

Turnover, which is stated net of value added tax, represents the value of services provided to clients during the year, after provision for contingencies and anticipated future losses on contracts, including amounts not invoiced. The turnover and pre-tax loss is attributable to the provision of marine consulting, third party inspection and other technical services to the marine industry.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated 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 due to temporary timing differences between the treatment of certain items for taxation and accounting purposes.

A deferred tax asset has not been recognised as the Director considers that it is unlikely that there will be suitable taxable profits which the future reversal of the underlying timing differences can be deducted.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

2. ACCOUNTING POLICIES - continued

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.

Intercompany balances are treated as monetary assets or liabilities. The exchange gain or loss on the revaluation of prior year balances is included within the Statement of Total Recognised Gains and Losses.

Pension costs

One employee of the Company participates in a defined benefit 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 financial statements 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, 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.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Payments on account in excess of turnover recognised are included in creditors within accruals and deferred income.

3. TURNOVER

The turnover and loss (2013 - profit) before taxation are attributable to the principal activities of the Company.

An analysis of turnover by geographical market is given below:

	2014	2013
UK	12.28%	3.65%
Europe	76.78%	45.98%
Rest of World	10.95%	50.37%
	<u>100.00%</u>	<u>100.00%</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

4. OPERATING (LOSS)/PROFIT

The operating loss (2013 - operating profit) is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	736	2,058
Pension costs	<u>30,602</u>	<u>28,845</u>
Directors' remuneration	104,481	89,844
Directors' pension contributions to money purchase schemes	<u>28,108</u>	<u>24,099</u>

5. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>13,560</u>	<u>11,992</u>

6. TAXATION

Analysis of the tax credit

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

	2014 £	2013 £
Current tax:		
Group relief receipt	-	(944)
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>(944)</u>

Factors affecting the tax credit

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

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	<u>(157,217)</u>	<u>2,564</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	(33,802)	596
Effects of:		
Expenses not deductible for tax purposes	(226)	(318)
Capital allowances in excess of depreciation	(146)	-
Depreciation in excess of capital allowances	-	78
Movement in other timing differences	-	11
Adjustments to tax charge in respect of previous periods relief	-	(944)
Tax losses created/(utilised) in period	<u>34,174</u>	<u>(367)</u>
Current tax credit	<u>-</u>	<u>(944)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

6. TAXATION - continued

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £146,996 (2013: £121,109) in respect of tax losses and other timing differences. Legislation was introduced in Finance Act 2013 to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014.

Finance Act 2014 confirmed the reduction in the main rate of corporation tax to a uniform rate of 20% with effect from 1 April 2015. The effect of this reduction is reflected in the unrecognised deferred tax asset of £146,996.

7. REMUNERATION OF DIRECTORS

	2014 £	2013 £
Aggregate emoluments in respect of qualifying services	104,481	89,845
Company contributions to money purchase pension schemes	28,108	24,099
Number of directors accruing benefits under money purchase pension schemes	1	1

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2014 and 31 December 2014	38,146	26,618	64,764
DEPRECIATION			
At 1 January 2014	38,146	25,652	63,798
Charge for year	-	736	736
At 31 December 2014	38,146	26,388	64,534
NET BOOK VALUE			
At 31 December 2014	-	230	230
At 31 December 2013	-	966	966

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	158,656	218,729
Amounts owed by group undertakings	6,138,234	5,358,213
Other debtors	21,850	-
Prepayments and accrued income	3,862	16,559
	6,322,602	5,593,501

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	5,913	46,057
Amounts owed to group undertakings	5,750,699	5,039,439
Accruals and deferred income	28,855	17,145
	<u>5,785,467</u>	<u>5,102,641</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
1,471,318	Ordinary	£1	<u>1,471,318</u>	<u>1,471,318</u>

12. RESERVES

	Profit and loss account £
At 1 January 2014	(826,130)
Deficit for the year	(157,217)
Exchange adjustments	183,016
At 31 December 2014	<u>(800,331)</u>

13. 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 £30,602 (2013: £28,845). Contributions unpaid but accrued at the balance sheet date were £332 (2013: £nil).

One employee of the Company is a member of a defined benefit pension scheme providing benefits based on final pensionable pay operated by the Company's immediate parent 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 to the Financial Statements - continued
for the Year Ended 31 December 2014**

14. 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. The consolidated financial statements 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 financial statements are available from the following address:

ABS Europe Limited
No.1 Frying Pan Alley
London
E1 7HR
United Kingdom

15. ULTIMATE CONTROLLING PARTY

The American Bureau of Shipping is the Company's ultimate controlling party by virtue of its indirect holding of 100% of the Company's issued share capital.

ABS Europe Limited is the Company's controlling party by virtue of its direct holding of 99.99% of the Company's issued share capital. Voting rights follow the shareholdings.