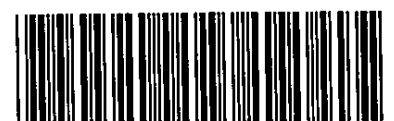


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**ABS Group Limited**

**Report and financial statements**  
**Year ended 31 December 2009**

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## **Company Details**

### **Directors**

Antoine Nassif

George Green

### **Secretary**

Michael Mannix

### **Auditors**

Ernst & Young LLP

1 More London Place,

London SE1 2AF

### **Bankers**

Barclays Bank plc

PO Box 35721 Level 27

One Churchill Place London

E14 5HP

### **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 and review of the business

The company's principal activities in the period under review were providing third party inspection, verification, quality consulting and other technical services. The results for the year are set out on page 8 of the financial statements. During the year the group operated through branches in the UK, Germany, Italy, France, Spain, the Netherlands and Greece.

### Business review

The key financial performance indicators during the year were as follows

	2009	2008	Change
	£000	£000	%
Turnover	2,136	1,351	58%
Gross Profit	614	474	30%
Gross Profit % Turnover	29%	35%	-6%

The £785k increase in revenue 2009 was primarily the result of the growth of the Quality Evaluation Service particularly in Spain. The weakening of sterling against the dollar resulted in an increase in the value of dollar denominated revenue and mitigated the impact of the use of more expensive intercompany subcontractors.

The business strategy for 2010 onwards is to invest in training initiatives to develop an ASME inspection service and to displace subcontract labour with its own employees. Furthermore the business anticipates an increased demand for its services in continental Europe as a result of key projects secured by related companies in the Middle East and Far East regions.

### Results and dividends

The directors do not recommend the payment of a dividend (2008 £Nil). The total recognised profit for the year of £252,000 (2008 loss of £684,000) has been transferred to reserves.

### Future developments

The business continues to move forward by building on its strong relationships with key clients and by taking advantage of the benefits of synergies and business opportunities with other entities within the ABS Group of Companies. In particular the business intends to continue to develop its services within the Nuclear Energy sector.

### Directors and their interests

The directors who held office during the year were as follows

Antoine Nassif  
George Green

### 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 oil and gas industry and from fluctuations in exchange rates. The effects of movement in exchange rates are mitigated by matching revenue and expense currencies whenever possible, in addition 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.

By order of the Board



George Green  
Director

23rd December 2010

EQE House, The Beacons  
Warrington Road, Birchwood  
Warrington, WA3 6WJ  
2010

### 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 (UK 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 the year. 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 Group Limited**

We have audited the financial statements of ABS Group Limited for the period ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 18. 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 5, 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 Group 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

*Ernst & Young LLP*

Denise Larnder (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Senior Statutory Auditor  
London  
Date *13 January 2011*

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

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>2,136</b>	<b>1,351</b>
Cost of sales	3	(1,522)	(877)
<b>Gross profit</b>		<b>614</b>	<b>474</b>
Administrative expenses	3, 4	(663)	(471)
<b>Operating (loss)/profit</b>		<b>(49)</b>	<b>3</b>
Other interest payable and similar charges		(16)	-
Other interest receivable and similar income	5	29	12
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>(36)</b>	<b>15</b>
Tax on profit on ordinary activities	8	-	16
<b>Retained (loss)/profit for the year</b>		<b>(36)</b>	<b>31</b>

The notes on pages 10 to 17 form part of these financial statements

All trading in the current and prior years results from continuing operations. The results disclosed in the profit and loss account are stated on an historical cost basis.

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

	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>(Loss)/Profit for the financial year</b>	<b>(36)</b>	<b>31</b>
Currency translation adjustments	288	(715)
<b>Total recognised gains and (losses) relating to the financial year</b>	<b>252</b>	<b>(684)</b>



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

	<i>Note</i>	<b>2009 £000</b>	<b>2009 £000</b>	<b>2008 £000</b>	<b>2008 £000</b>
<b>Fixed assets</b>					
Tangible assets	9		3		2
Investments	10		-		-
			<u>3</u>		<u>2</u>
<b>Current assets</b>					
Debtors	11	8,570		8,013	
Cash at bank and in hand		55		35	
		<u>8,625</u>		<u>8,048</u>	
<b>Creditors</b> amounts falling due within one year	12	<b>(10,852)</b>		<b>(10,523)</b>	
<b>Net current liabilities</b>			<b>(2,227)</b>		<b>(2,475)</b>
<b>Total assets less current liabilities</b>			<b>(2,224)</b>		<b>(2,473)</b>
<b>Provisions for liabilities and charges</b>	13		<b>(49)</b>		<b>(52)</b>
<b>Net liabilities</b>			<b>(2,273)</b>		<b>(2,525)</b>
<b>Capital and reserves</b>					
Called up share capital	14		1,767		1,767
Profit and loss account	15		(4,040)		(4,292)
<b>Shareholders' funds</b>	16		<b>(2,273)</b>		<b>(2,525)</b>

The notes on pages 10 to 17 form part of these financial statements

These financial statements were approved by the board of directors on 23rd December 2010 and were signed on its behalf by

*George Green*

**George Green**

ABS Group Limited Registered number 2562245  
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 except as noted below

#### *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, notwithstanding the deficit on net assets, as the company's ultimate parent organisation, the American Bureau of Shipping, has agreed to provide sufficient financial and other support to enable the company to meet its liabilities as they fall due for the foreseeable future

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group

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 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
Motor vehicles	-	20% 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

## Notes (continued)

### 1 Accounting policies (continued)

#### Pensions

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

Some employees participate in a pension scheme operated by another group company, ABS Europe Limited providing benefits based on final pensionable pay. The assets of the scheme are held in separate trustee administered funds. The pension costs for this scheme have been paid by ABS Group Limited to ABS Europe Limited. The required disclosures regarding these costs are included in the financial statements of ABS Europe Limited. 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.

#### Investments

Investments are valued at the lower of cost and net realisable value.

#### 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 from which the future reversal of the underlying timing differences can be deducted.

### 2 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 for long term contracts and on invoicing of fee based work.

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 profit
	£000	£000	£000	£000	£000	£000
<b>By activity</b>						
Third party inspection	1,191	(1,198)	(20)	1,203	(2,234)	14
Verification	191	(244)	(3)	37	(72)	-
Quality Consulting	750	(826)	(13)	110	(217)	1
Other technical services	4	(5)	-	1	(2)	-
	<u>2,136</u>	<u>(2,273)</u>	<u>(36)</u>	<u>1,351</u>	<u>(2,525)</u>	<u>15</u>
<b>By geographical market</b>						
UK	270	(337)	(4)	146	(406)	2
Europe	1,396	(1,659)	(24)	1,054	(1,816)	11
Rest of World	470	(277)	(8)	151	(303)	2
	<u>2,136</u>	<u>(2,273)</u>	<u>(36)</u>	<u>1,351</u>	<u>(2,525)</u>	<u>15</u>

**Notes (continued)**

**3 Cost of Sales and Administrative Expenses**

Cost of sales of £1,522,000 (2008 £877,000) comprise salaries, related labour costs, subcontract labour costs and client reimbursable expenses

Administrative expenses comprise

	2009 £'000	2008 £'000
Office costs	38	42
Systems and telecommunications	31	14
Intercompany Support Services	204	82
Other administrative expenses	390	333
	<u>663</u>	<u>471</u>

**4 Profit on ordinary activities before taxation**

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit	13	39
Depreciation and other amounts written off tangible fixed assets	1	3
	<u>14</u>	<u>42</u>

**5 Interest receivable and similar income**

	2009 £'000	2008 £'000
Translational exchange gains arising on intra-group trading balances	29	3
Translational exchange gains arising on foreign currency receipts and payments	-	9
	<u>29</u>	<u>12</u>

**6 Remuneration of directors**

During the year, the directors did not receive any remuneration from the company (2008 £0)

**Notes** *(continued)*

**7 Staff numbers and costs**

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

	<b>Number of employees</b>	
	<b>2009</b>	<b>2008</b>
Operational	<b>3</b>	<b>3</b>
Administration	<b>6</b>	<b>3</b>
	<hr/>	<hr/>
	<b>9</b>	<b>6</b>
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>408</b>	268
Social security costs	<b>35</b>	36
Other pension costs	<b>85</b>	38
	<hr/>	<hr/>
	<b>528</b>	342
	<hr/>	<hr/>

## Notes (continued)

### 8 Taxation

#### Analysis of charge in the period

	2008 £000	2007 £000
<i>UK corporation tax</i>		
Group relief received from other companies in respect of prior years	-	(16)
	<u>-</u>	<u>(16)</u>

#### Factors affecting the tax charge for the current period

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

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
(Loss)/Profit on ordinary activities before tax	(36)	15
	<u>(36)</u>	<u>15</u>
Current tax (charge) at 28 % (2008 28%)	(10)	(4)
<i>Effects of</i>		
Capital allowances for period in excess of depreciation	(3)	(3)
Creation/(utilisation) of tax losses	13	(1)
Group relief surrendered to other group companies in respect of prior years	-	16
	<u>-</u>	<u>16</u>
Total current tax credit (see above)	-	16

A deferred tax asset of £1,204,350 (2008 £1,191,113) 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)

### 9 Tangible fixed assets

	Computer Equipment £000	Furniture and Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At beginning of year	33	102	-	135
Additions	2	-	-	2
Exchange adjustment	(1)	(4)	-	(5)
Disposals	-	-	-	-
	<u>34</u>	<u>98</u>	<u>-</u>	<u>132</u>
<b>Depreciation</b>				
At beginning of year	33	100	-	133
Charge for year	-	1	-	1
Exchange adjustment	(1)	(4)	-	(5)
Disposals	-	-	-	-
	<u>32</u>	<u>97</u>	<u>-</u>	<u>129</u>
<b>Net book value</b>				
At 31 December 2009	<u>2</u>	<u>1</u>	<u>-</u>	<u>3</u>
At 31 December 2008	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>

### 10 Investments

The cost (£106,000) of the fixed asset investment in ABS Consulting (Hellas) has been fully provided

	Country of incorporation	Principal activity	Class and percentage of shares held Group	Company
<b>Subsidiary undertakings</b>				
ABS Consulting (Hellas)	Greece	Non-trading	100%	100%

### 11 Debtors

	2009 £000	2008 £000
Trade debtors	751	373
Amounts owed by group undertakings	7,732	7,586
Other debtors	87	54
	<u>8,570</u>	<u>8,013</u>

**Notes (continued)**

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

	2009 £000	2008 £000
Bank overdrafts	92	-
Trade creditors	119	122
Amounts owed to group undertakings	10,535	10,263
Taxation and social security	38	50
Accruals and deferred income	68	88
	<u>10,852</u>	<u>10,523</u>

**13 Provisions for liabilities and charges**

	Severance provision £000
At beginning of year	52
Exchange adjustment	(3)
Charge for the year	-
	<u>49</u>
At end of year	<u>49</u>

**14 Called up share capital**

	2009 £000	2008 £000
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,767	1,767
	<u>1,767</u>	<u>1,767</u>

**15 Reserves**

	Profit and Loss Account £000
At beginning of year	(4,292)
Retained loss for the year	(36)
Exchange adjustments	288
	<u>(4,040)</u>
At end of year	<u>(4,040)</u>



## Notes (continued)

### 16 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
(Loss)/Profit for the year	(36)	31
Currency translation adjustments	288	(715)
Net increase/(reduction) in shareholders funds	252	(684)
Opening equity shareholders funds	(2,525)	(1,841)
Closing equity shareholders funds	(2,273)	(2,525)

### 17 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 £85,362 (2008: £38,158). 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 Group Limited to ABS Europe Limited. The appropriate disclosures regarding these costs are included in the financial statements of ABS Europe Limited.

### 18 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 of these groups 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