Registered Number 4211637

Cammell Laird Shiprepairers & Shipbuilders Limited

Annual report and financial statements

for the year ended 31 May 2011

Cammell Laird Shiprepairers & Shipbuilders Limited

Annual report and financial statements for the year ended 31 May 2011

Contents

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Directors and advisors for the year ended 31 May 2011

Directors
J R Syvret
J Kennedy
M J Moran
S Underwood
A Barr

Secretary
J R Syvret

Registered Office
Cammell Laird Shipyard
Campbeltown Road
Birkenhead
Merseyside
CH41 9BP

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
8 Princes Parade
St Nicholas Place
Liverpool
L3 1QJ

Bankers
Barclays
Manchester City Office
Manchester
M60 2AU

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Directors' report for the year ended 31 May 2011

The directors present their report and the audited financial statements of the Company for the year ended 31 May 2011

Principal activities

The principal activity of the Company during the year was the provision of marine services to ship owners and operators

Review of business and future developments

The year ending 31st May 2011 has seen the Company deliver another strong set of results against the backdrop of difficult global economic conditions Turnover in the year was £75,592,000 (2010 £93,266,000), whilst profit was £6,619,000 (2010 £7,322,000) This set of results is directly linked to the company's growing reputation for delivering a cost effective quality service to the ship owners and operators in the ship repair, conversion and military market place

Highlights of the year were the successful completion of the major refits of RFA Gold Rover and the on-going work on the sections of the Queen Elizabeth Aircraft Carrier Within the commercial market, successful major contracts were completed with Sea Truck Ferries, Isle of Man Steam Packet Company, Irish Ferries, Northlink Ferries and Maersk/DFDS to name just a few of the "Blue Chip" companies who we provide services to

As a result of the Company's continued strong financial performance, we have continued to invest in key personnel and improved IT and management systems in order that we are well positioned to manage the current and future business successfully The Company will continue to operate in the core Marine markets is Ship Repair, Ship Conversion, Military Services/Through Life Support on a global reach basis with our highly skilled range of engineers, trades personnel and management, however next year will see the company enter the Energy services sectors in both Offshore Renewable energy markets and Civil Nuclear Energy Markets

The challenges to entering these markets are establishing relationships with key industry organisations I am pleased to advise that relationships in the Renewable Energy Sector have been established which will see the Gwyn-Ty-Mor Offshore wind farm being managed using the facilities as its Base Port for a large proportion of project here in our Birkenhead Yard with RWE

I am also pleased to advise that the company has a working relationship established with Ansaldo Nucleare and Nuvia, these organisation have a strong established foothold in the Nuclear Sector and it is hoped that these key relationships will help deliver long term growth in this exciting multi billion pound UK market, subject to all the normal UK Government and regulatory approvals On the basis of these market opportunities it is likely that the company will establish a separate trading entity in order to professionally manage this sector in 2012 This will ensure that there is no branding confusion in terms of Marine and Energy sectors

Dividends

Dividends paid during the year amounted to £914,000 This excludes proposed dividends that have yet to be approved by the balance sheet date of £4,964,000

Directors' report (continued)

Key Performance Indicators:

The following are considered to be the Company's key performance indicators

		2011	2010
Turnover	£'000	75,592	93,355
Man-hours sold	Hours	1,119,720	1,010,788
Supply Chain Purchases	£'000	40,747	43,812

Future Trading

The accounts for the forthcoming financial year ending 31st May 2012 are also expected to be strong with turnover close to the levels reported in 2009 and 2010 This is again against the background of the difficult global economic trading conditions

The board remains committed to our robust health and safety policies and procedures, an example being the accreditation of BS EN ISO 14001-2004 and OHSAS 18801-2007 being awarded, our workforce industrial relations, working within the GMB and Unite framework agreement, our apprentice and graduate training programme, whilst providing business growth and increased shareholder value

I would like to take the opportunity to thank our customers, workforce, management and supply chain for their past and continued support

Principal Business Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks

Personnel: There is both a local and national shortage of skilled tradesmen and management Whilst the Company has been able to manage the growth achieved to date, this is becoming increasingly more difficult In addition, a large percentage of the white and blue collar workforces are near retirement age and it is becoming increasingly difficult to replace them with people of similar experience and qualifications The Company has therefore established an apprentice training scheme at the adjacent Maritime & Engineering College North West and intends to train sufficient numbers of apprentices to meet its committed commercial obligations and future business aspirations

Credit risk: For larger value projects the Company negotiates stage payments to neutralise cash flow For medium size projects the Company requires payment that at least covers direct costs prior to the departure of the ship Due to lack of credit insurance, there remains a risk on smaller value projects of bad debts This is managed via tight credit control procedures plus constant monitoring of the customer base

Price risk: For commercial repair activity, the Company negotiates prices on a contract by contract basis, and as such continually monitors and reflects changes in labour and material prices For MoD contracts, prices are agreed on a contract by contract basis with prices subject to annual inflation adjustments

Liquidity risk: The Company does not have any commercial borrowings and only enters into major contracts which have at least cash neutral payment terms These are based on agreed payment plans for significant contracts The Company continually looks at debtor and creditor days to manage working capital Long term projects are financed via stage payments, with balances paid on completion of contracts

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Directors' report (continued)

Interest rate cash flow risk: Due to the net positive cash position, and with no outstanding borrowings, the Company is largely protected from movements of interest rates

Supply base: The Company utilises a broad range of contractors and suppliers A significant challenge for the business is for the supply chain base to grow in line with the business

Trading: The level of trading with the MoD and commercial customers has fluctuated over the last few years The Company's growth has been achieved through a small number of significant contracts

Market: The Company operates in a competitive market place with nearly all its contracts awarded after commercial tender The requirements of the tender include price but are also based on management structure, risk management, health and safety and security plans

Commercial Contracts: Procedures and policies are continuously reviewed to reduce any potential contract risk Performance bonds are sometimes issued in accordance with contractual terms

Health and Safety: The Company remains totally committed to the health and safety of all employees, contractors and visitors and to date has an excellent record in respect of reportable incidents Our employee liability insurance supplier has assisted the Company with independent advice to identify potential areas of concern in relation to health and safety and facilities to enable the development of mitigating actions During the year the Company achieved BS EN ISO 14001-2004 and OHSAS 18001-2007 accreditation in Environmental and Health & Safety Management Systems

Other: The Company operates from approved ISPS yards and is independently accredited by BVQI to ISO9001 standard

The Company is committed to working with employees for the benefits of both the Company and its workers and to this extent enjoys a partnership with Amicus/Unite and GMBU In addition the Company is working with Liverpool Chamber of Commerce and Mersey Maritime to improve employee skill levels

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the Company as a whole

Directors' report (continued)

Directors

The directors who held office during the year are disclosed on page 1

The interests of the directors of the Company in the shares of the Company were

	Interests in ordinary A shares of 1 pence each	
	31 May 2011	31 May 2010
J R Syvret	**10,134**	10,134
J Kennedy	**1,583**	1,583
M J Moran	**1,583**	1,583

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 that law the directors have prepared the group and parent company 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 group and the Company and of the profit or loss of the company and group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In accordance with Section 418, each director in office at the date the directors' report confirms that

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

Directors' report (continued)

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed by the Board of Directors

By order of the Board

J R Syvret
Chief Executive Officer
29 February 2011

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Independent auditors' report to the members of Cammell Laird Shiprepairers & Shipbuilders Limited

We have audited the Group and parent company financial statements of Cammell Laird Shiprepairers & Shipbuilders Limited for the year ended 31 May 2011 which comprise the Group Profit and Loss Account and the Group and Company Balance Sheets, the Group Cash Flow Statement, the accounting policies and the related notes 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors responsibilities on pages 5 and 6 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

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 group's and parent 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 Directors report 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 Group's and the parent company's affairs as at 31 May 2011 and of the group's profit and cash flows 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

N Gower

Nicholas Gower (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Liverpool
29 February 2011

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Group Profit and Loss Account for the year ended 31 May 2011

	Note	**2011 £'000**	2010 £'000
Turnover	1	**75,592**	93,266
Cost of sales		**(57,222)**	(75,117)
Gross profit		**18,370**	18,149
Administrative expenses		**(9,301)**	(7,926)
Operating profit		**9,069**	10,223
Interest receivable	5	**82**	17
Profit on ordinary activities before taxation	2	**9,151**	10,240
Tax charge on profit on ordinary activities	6	**(2,532)**	(2,918)
Profit for the financial year	16	**6,619**	7,322

The profit on ordinary activities before taxation derives entirely from continuing activities

Other than the profit for the financial year, there have been no other recognised gains or losses during either 2011 or 2010

The Company profit for the year was £6,619,000 (2010 £7,322,000) The Company has elected to take the exemption under section 230 of the Companies Act 2006 to not present the parent company profit and loss account

The accounting policies and accompanying notes on pages 13 to 23 are an integral part of these financial statements

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Group Balance Sheet as at 31 May 2011

	Note	2011	2010
		£'000	£'000
Fixed assets			
Tangible assets	9	**3,996**	3,941
Current assets			
Stocks	10	**6,238**	4,524
Debtors amounts falling due within one year	11	**4,347**	7,467
Debtors amounts falling due after more than one year	12	**5,040**	-
Total Debtors	11, 12	**9,387**	7,467
Cash at bank and in hand		**5,072**	7,854
		20,697	19,845
Creditors: amounts falling due within one year	13	**(12,140)**	(16,938)
Net current assets		**8,557**	2,907
Net assets		**12,553**	6,848
Capital and reserves			
Called up share capital	15	**-**	-
Share premium	16	**450**	450
Profit and loss account	16	**12,103**	6,398
Total shareholders' funds	18	**12,553**	6,848

The accounting policies and accompanying notes on pages 13 to 23 are an integral part of these financial statements

The financial statements on pages 9 to 23 were approved by the board of directors on 29 February 2012 and were signed on its behalf by

J R Syvret

Chief Executive Officer

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Company Balance Sheet as at 31 May 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	9	**3,996**	3,934
Current assets			
Stocks	10	**6,230**	4,475
Debtors amounts falling due within one year	11	**4,526**	7,713
Debtors amounts falling due after one year	12	**5,040**	-
Total debtors	11, 12	**9,566**	7,713
Cash at bank and in hand		**4,941**	7,623
		20,737	19,811
Creditors: amounts falling due within one year	13	**(12,180)**	(16,897)
Net current assets		**8,557**	2,914
Net assets		**12,553**	6,848
Capital and reserves			
Called up share capital	15	**-**	-
Share premium	16	**450**	450
Profit and loss account	16	**12,103**	6,398
Total shareholders' funds	18	**12,553**	6,848

The financial statements on pages 9 to 23 were approved by the board of directors on 29 February 2012 and were signed on its behalf by

The accounting policies and accompanying notes on pages 13 to 23 are an integral part of these financial statements

J R Syvret
Chief Executive Officer

Cammell Laird Shiprepairers & Shipbuilders Limited: Reg 4211637

Group Cash Flow Statement for the year ended 31 May 2011

	2011 £'000	2010 £'000
Cash flow statement		
Net cash inflow from operating activities	**6,065**	14,764
Returns on investments and servicing of finance		
Loans granted to related party (note 12)	**(5,040)**	-
Interest received	**82**	17
Net cash inflow from returns on investments and servicing of finance	**82**	17
Taxation	**(2,483)**	(5,617)
Capital expenditure		
Purchase of tangible fixed assets	**(490)**	(3,064)
Net cash outflow for capital expenditure	**(490)**	(3,064)
Equity dividends paid	**(914)**	(9,613)
Decrease in cash	**(2,780)**	(3,511)
Reconciliation to net cash		
Net cash at 1 June	**7,854**	11,365
Decrease in net cash	**(2,780)**	(3,511)
Net cash at 31 May	**5,074**	7,854

Reconciliation of operating profit to cash inflow from operating activities

	2011 £'000	2010 £'000
Operating profit	**9,069**	10,223
Depreciation charges	**432**	321
(Increase)/Decrease in stocks	**(1,714)**	3,330
Decrease/(Increase) in debtors	**3,187**	(1,433)
(Decrease)/Increase in creditors	**(4,909)**	2,323
Net cash inflow from operating activities	**6,065**	14,764

Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards A summary of the principal accounting policies that have been consistently applied has been set out below

Basis of consolidation
The consolidated Financial Statements include those of the Company and all of its subsidiaries The results of businesses acquired or disposed of are accounted for from or to the effective date of acquisition or disposal

Turnover
Turnover represents income earned from ship repair and conversion provided to third parties, excluding VAT and completed prior to the year end Turnover also includes the proportion of the sales value of long-term contracts based on their state of completion at the balance sheet date Turnover and profit is recognised on long term contracts as the project progresses, on short term contracts revenue is recognised when the contract is completed Long term is deemed to be of greater than 60 days duration The stage of progress complete is based on the jointly compiled and agreed monitoring reports between the Company and the customer

Tangible fixed assets
Tangible fixed assets are stated at cost, less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation
Depreciation is calculated to write-off original cost less the expected residual value of the assets, over their estimated useful lives on a straight line basis
The economic lives of the various assets are considered to be

	Years
Plant and equipment	3 – 20
Leasehold improvements	3 – 20
Fixtures and fittings	3 – 5
Motor vehicles	5

Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value on a first in first out basis Cost includes all direct expenditure and appropriate overhead expenditure incurred in bringing goods to their current state under normal operating conditions Net realisable value is based on anticipated selling price less the cost of selling such goods Profit on long-term contracts, principally in relation to the repair of ships, is recognised once the project's outcome can be assessed with reasonable certainty The profit is calculated by applying the percentage completion at the balance sheet date to the expected contract profit Any losses envisaged on long-term contracts are provided as soon as they are foreseen regardless of the extent of completion

Operating leases
Rentals under operating leases are charged to the profit and loss account as incurred

Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Timing differences between the company's taxable profits and its accounting profits arising from gains and losses in the tax assessments in periods different from those which they are recognised in the financial statements The deferred tax assets and liabilities are not discounted

Related Party Transactions

The company has taken advantage of the exemption allowed under FRS 8, "Related Party Disclosures", not to disclose related party transactions with members of the group This exemption applies to transactions with the Company's direct subsidiaries Other related parties where this exemption does not apply include entities in which the Company's directors have a shareholding and the ultimate parent company and its subsidiaries

Notes to the financial statements for the year ended 31 May 2011

1 Turnover

Turnover consists entirely of sales made in the United Kingdom

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2011 £'000	2010 £'000
Wages	**19,070**	18,959
Social security costs	**1,984**	1,974
Staff costs	**21,054**	20,933
Depreciation for the year – owned assets	**432**	321
Operating leases – other	**2,814**	1,810
Machinery and equipment hire	**1,384**	1,688
Auditors' remuneration:		
Auditors remuneration – audit fees	**40**	40
Other fees payable to the auditors – taxation services	**10**	10

3 Directors' emoluments

	2011 £'000	2010 £'000
Remuneration	**341**	423
Highest paid director	**194**	241

There are no directors with benefits accruing under a company pension scheme

4 Employee information

The average number of persons (including executive directors) employed during the year was

	2011 No.	2010 No
Operations	**500**	566
Administration	**27**	27
	527	593

5 Net interest receivable

	2011	2010
	£'000	£'000
Interest receivable on short-term deposits and other investments	82	17

6 Taxation

	2011	2010
	£'000	£'000
Current tax:		
UK corporation tax on profits of the period	2,563	2,855
Adjustment in respect of previous periods	(93)	(3)
Total current tax charge	2,470	2,853
Deferred tax:		
Origination and reversal of timing differences	67	101
Adjustments in respect of previous periods	(5)	-
Total deferred tax charge (note 13)	62	101
Tax on profit on ordinary activities	2,532	2,953

The tax charge for the year is different to the standard rate of corporation tax in the UK The differences are explained below

	2011	2010
	£'000	£'000
Profit on ordinary activities before taxation	9,151	10,240
Profit on ordinary activities, multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	2,533	2,903
Effects of		
Expenses not deductible for tax purposes	91	58
Accelerated capital allowances / other timing differences	(61)	(106)
Adjustments in respect of prior periods	(93)	(2)
Current tax charge for the year	2,470	2,853

The second Finance Bill of 2010 (the 'Bill') was given Royal Assent on 27th July 2010 and became Finance (No 2) Act 2010 (the Act) The Act, in the main, covers the tax rates announced in the Emergency Budget of 22nd June 2010 and includes legislation to reduce the main rate of Corporation Tax from 28% to 27% from 1st

April 2011 This legislation had not been substantively enacted at the balance sheet date and, therefore, the effect is not included in these financial statements The Emergency Budget also proposed further reductions in the main rate in future years 26% in 2012-13, 25% in 2013-14, 24% in 2014-15, although these future reductions are not referred to in the Act

Whilst the reduction in the main rate of Corporation tax from 28% to 27% will have no effect on current tax assets and liabilities which arise prior to the effective date of change, there are implications for deferred tax accounting The reduction in tax rate will not impact deferred tax that is expected to reverse prior to 1st April 2011 and the effect on deferred tax expected to reverse after this date is not considered material

7 Dividends

	2011	2010
	£'000	£'000
Equity - Ordinary		
Dividends paid re year ended 31 May 2009 £152 52 per share	-	5,084
Interim Dividend paid re year ended 31 May 2010 accounts £135 87 per share	-	4,529
Final Dividend paid re year ended 31 May 2010 accounts £27 42 per share	**914**	-
Total Dividend paid	**914**	9,613

The directors have recommended a final dividend of £4,964,122 (£148 92 per share)

8 Fixed asset investments

The Company had the following investments at 31 May 2011

Name of investment	Class of share capital held	Proportion held	Nature of business
Scott Lithgow Ltd	Ordinary	100%	Ship repair and marine engineering
Birkenhead Shiprepair Yard Ltd	Ordinary	100%	Ship repair and marine engineering
Neway Industrial and Environmental Services Limited	Ordinary	100%	Industrial Cleaning

The above undertakings are registered in England and Wales

9 Tangible assets

a) Group

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2010	2,010	3,041	218	174	5,443
Additions	209	278	-	-	487
At 31 May 2011	**2,219**	**3,319**	**218**	**174**	**5,920**
Accumulated depreciation					
At 1 June 2010	(642)	(575)	(147)	(138)	(1,502)
Charge for the year	(208)	(175)	(33)	(16)	(432)
At 31 May 2011	**(850)**	**(750)**	**(180)**	**(154)**	**(1,914)**
Net book value					
At 31 May 2011	**1,369**	**2,569**	**38**	**20**	**3,996**
At 31 May 2010	1,368	2,466	71	36	3,941

b) Company

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2010	1,990	3,041	218	174	5,423
Additions	209	278	-	-	487
At 31 May 2011	**2,199**	**3,319**	**218**	**174**	**5,910**
Accumulated depreciation					
At 1 June 2010	(629)	(575)	(147)	(138)	(1,489)
Charge for the year	(201)	(175)	(33)	(16)	(425)
At 31 May 2011	**(830)**	**(750)**	**(180)**	**(154)**	**(1,914)**
Net book value					
At 31 May 2011	**1,369**	**2,569**	**38**	**20**	**3,996**
At 31 May 2010	1,361	2,466	71	36	3,934

At 31 May 2011 (2010 £nil) there were no capital commitments contracted but not provided for in the accounts

10 Stock

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**108**	108	**108**	108
Work in progress	**6,130**	4,416	**6,122**	4,367
Total stocks	**6,238**	4,524	**6,230**	4,475

11 Debtors: amounts due within one year

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Trade debtors	**2,776**	5,361	**2,617**	5,226
Amounts owed by related party	**220**	353	**220**	353
Prepayments and accrued income	**486**	709	**534**	709
Inter company debtors	**-**	-	**177**	331
Other taxation and social security	**865**	1 044	**978**	1,094
Total debtors due within one year	**4,347**	7,467	**4,526**	7,713

Amounts owed by related parties are repayable on demand and attract no interest

12 Debtors: amounts due after one year

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Amounts owed by related party	**5,040**	-	**5,040**	-
Total debtors due after one year	**5,040**	-	**9,566**	-

A loan to Atlantic & Peninsular Marine Services Limited for £5,040,000 was made on 22 February 2011 This company is a related party by virtue of it having common shareholders and directors with Cammell Laird Shiprepairers and Shipbuilders Limited Interest is charged at 5% with the loan being repayable at the 5 year anniversary point

13 Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Trade creditors	**7,293**	11,601	**7,198**	11,528
Amounts owed to related party	**503**	67	**503**	67
Corporation tax	**1,981**	1,772	**1,981**	1,772
Deferred Tax Liability (see note 14)	**127**	65	**127**	65
Inter Company Creditors	-	-	**202**	75
Other taxation and social security payable	**1,033**	1,078	**1,016**	1,063
Accruals and deferred income	**1,203**	2,355	**1,153**	2,327
Total creditors falling due within one year	**12,140**	16,938	**12,180**	16,897

14 Deferred taxation

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
At 1 June	**(65)**	36	**(65)**	36
Charged to profit and loss account	**(62)**	(101)	**(62)**	(101)
At 31 May (see note 13)	**(127)**	(65)	**(127)**	(65)
The balance relates to				
Accelerated capital allowances	**(189)**	(138)	**(189)**	(138)
Short term timing differences	**62**	73	**62**	73
Total deferred tax liability	**(127)**	(65)	**(127)**	(65)

15 Called-up share capital

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Authorised:				
16,667 ordinary A shares of 1 penny each	**167**	167	**167**	167
16,667 ordinary B shares of 1 penny each	**167**	167	**167**	167
Allotted, called-up and fully paid:				
16,667 ordinary A shares of 1 penny each	**167**	167	**167**	167
16,667 ordinary B shares of 1 penny each	**167**	167	**167**	167
Total	**334**	334	**334**	334

Dividends – Unless the holders of the majority of A ordinary shares and the holders of a majority of B ordinary shares agree an amount equal to 75% of the company's profit available for distribution in respect of each financial year shall be distributed by the company to the shareholders by way of a dividend

Voting rights – A & B shares have equal voting rights The holders of the majority of A ordinary shares and the holders of the majority of B ordinary shares must have voted in favour for a resolution to be passed

Rights in winding up – the shareholders shall prove to the maximum extent permitted by law for all sums due or to fall due to them respectively from the Company and shall exercise all rights of set-off

16 Reserves

Group	**Share premium account £'000**	**Profit and loss account £'000**
At 1 June 2010	450	6,398
Dividends paid in the year	-	(914)
Retained profit for the financial year	-	6,619
At 31 May 2011	**450**	**12,103**

Company	**Share premium account £'000**	**Profit and loss account £'000**
At 1 June 2010	450	6,398
Dividends paid in the year	-	(914)
Retained profit for the financial year	-	6,619
At 31 May 2011	**450**	**12,103**

17 Financial commitments

At 31 May 2011 the Company had annual commitments under operating leases expiring as follows

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Land and buildings				
Within 2 – 5 years	**1,000**	1,000	**1,000**	1,000
Greater than 5 years	**1,500**	1,500	**1,500**	1,500
	2,500	2,500	**2,500**	2,500

18 Reconciliation in equity shareholders funds

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Profit for the year	**6,619**	7,322	**6,619**	7,322
Dividends paid	**(914)**	(9,613)	**(914)**	(9,613)
Retained profit for the financial year	**5,705**	(2,291)	**5,705**	(2,291)
Equity shareholders' funds at 1 June	**6,848**	9,139	**6,848**	9,139
Equity shareholders' funds at 31 May	**12,553**	6,848	**12,553**	6,848

19 Analysis of net cash

	At 1 June 2010	Cash flow	**At 31 May 2011**
	£'000	£'000	**£'000**
Cash in hand and at bank	**7,854**	(2,782)	**5,072**

20 Related Party Transactions

The Company is a joint venture between the directors and The Mersey Docks and Harbour Company ("Mersey Docks")

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Purchases from Mersey Docks (excluding VAT)	**21**	496	**21**	496
Sales to Mersey Docks (excluding VAT)	**204**	714	**204**	714
Debtor 31 May Mersey Docks	**220**	353	**220**	353
Creditor 31 May Mersey Docks	**503**	67	**503**	67
Debtor 31 May (Atlantic & Peninsular Marine Services Limited)	**5,040**	-	**5,040**	-

20 Ultimate Controlling Party

The directors believe there is no one controlling party as the Company is a joint venture between the directors and The Mersey Docks and Harbour Company