

Registered Number 4211637.

Northwestern Shiprepairers and Shipbuilders Limited
Annual report and financial statements
for the year ended 31 May 2008

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Northwestern Shiprepairers and Shipbuilders Limited

Annual report and financial statements for the year ended 31 May 2008

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Northwestern Shiprepairers and Shipbuilders Limited

Directors and advisors for the year ended 31 May 2008

Directors

J R Syvret

J Kennedy

M J Moran

A Simpson

D Green – resigned 31.05.08

A Barr – appointed 29.07.08

S Baxter – appointed 29.07.08

Secretary

J R Syvret

Registered Office

Cammell Laird Shipyard

Campbeltown Road

Birkenhead

Merseyside

CH41 9BP

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

8 Princes Parade

St Nicholas Place

Liverpool

L3 1QJ

Bankers

Barclays

Manchester City Office

Manchester

M60 2AU

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report for the year ended 31 May 2008

The directors present their report and the audited financial statements of the company ("NSL") for the year ended 31 May 2008.

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

This financial year has seen further substantial growth with turnover has rising from £42,378,000 in 2007 to £53,445,000 this year. This has been achieved as a direct result of 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 Ship Life Extension Programme for RFA Diligence along with the major refits of RFA Orangeleaf, Wave Knight and Wave Ruler. At the end of the financial year the extensive refit programmes on RFA Fort Rosalie and RFA Fort George were in progress. Within the commercial market, successful major contracts were completed with Isle of Man Steam Packet Company on the Sea Express and the conversions of Ropax 1 and Ropax 2 vessels with further growth generally in the sector.

In June 2008, the Company was pleased to sign Through Life Support Contracts for eleven of the RFA's sixteen vessels, on a rolling five year basis. This was as a result of an extensive tendering process within the Royal Fleet Auxillary, a department of the UK Ministry of Defence.

As a result of the Company's growth in turnover, 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.

Dividends

Dividends paid during the year amounted to £2,179,000. This excludes proposed dividends that have yet to be approved by the balance sheet date of £3,264,000.

Key Performance Indicators:

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

	2008	2007
	£'000	£'000
Turnover	53,445	42,378
Man-hours sold	517,544	414,035
Supply Chain Purchases	33,344	26,389

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report (continued)

Future Trading

NSL achieved substantial sales growth of 26% in 2007/8 due to the reasons identified above. This increased level of trading has continued in 2008/9 with turnover expected to increase further. This is underpinned by committed sales to date, and firm orders in hand. The Company has changed its name to Cammell Laird Shiprepairers and Shipbuilders Limited, which is hoped will raise the profile in the International off-shore and modular construction markets. With the new Through Life Support Contracts in place with the MoD RFA, the Company is focused on meeting its new key performance indicators in addition to delivering value for money projects, on time and to the highest quality. This will include the expansion of the technical services department, in addition to providing around the clock support for vessels in fleet time, worldwide.

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 for 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 workforce are at 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 NSL negotiates stage payments to neutralise cash flow. For medium size projects NSL 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, NSL 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. NSL 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.

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

Supply base: NSL 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. NSL's growth has been achieved through a small number of significant contracts.

Market: NSL 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.

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report (continued)

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 NSL with independent advice to identify potential areas of concern in relation to Health and Safety and facilities to enable the development of mitigating actions.

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

NSL 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 NSL 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

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 2008	31 May 2007
J R Syvret	10,134	10,134
J Kennedy	1,583	1,583
M J Moran	1,583	1,583

Disclosure of information to auditors

Each of the persons who is a director at the date of the approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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.

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company and group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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
Managing Director
12 January 2009

Northwestern Shiprepairers and Shipbuilders Limited

Independent auditors' report to the members of Northwestern Shiprepairers and Shipbuilders Limited

We have audited the group and parent company financial statements (the "financial statements") of Northwestern Shiprepairers and Shipbuilders Limited for the year ended 31 May 2008 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

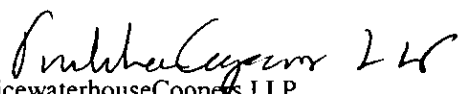
Northwestern Shiprepairers and Shipbuilders Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2008 and of the group's profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
12 January 2009

Northwestern Shiprepairers and Shipbuilders Limited

Consolidated Profit and Loss Account for the year ended 31 May 2008

	Note	2008 £'000	2007 £'000	2007 £'000	2007 £'000
			Before exceptional item	Exceptional items (note 5)	Total
Turnover	1	53,445	42,378	-	42,378
Cost of sales		(42,619)	(33,998)	-	(33,998)
Gross profit		10,826	8,380	-	8,380
Administrative expenses	5	(4,905)	(4,227)	(1,719)	(5,946)
Operating profit		5,921	4,153	(1,719)	2,434
Interest receivable	6	330	175	-	175
Profit on ordinary activities before taxation	2	6,251	4,328	(1,719)	2,609
Tax charge on profit on ordinary activities	7	(1,883)	(1,441)	474	(967)
Profit for the financial year	18	4,368	2,887	(1,245)	1,642

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 2008 or 2007.

Northwestern Shiprepairers and Shipbuilders Limited

Consolidated Balance Sheet as at 31 May 2008

	Note	2008	2007
		£'000	£'000
Fixed assets			
Tangible assets	10	851	667
Current assets			
Stocks	11	32	968
Debtors	12	7,689	4,274
Cash at bank and in hand		11,989	5,577
		19,710	10,819
Creditors: amounts falling due within one year	13	(14,920)	(8,034)
Net current assets		4,790	2,785
Net assets		5,641	3,452
Capital and reserves			
Called up share capital	15	-	-
Share premium	16	450	450
Profit and loss account	16	5,191	3,002
Total shareholders' funds	18	5,641	3,452

The financial statements on pages 8 to 22 were approved by the board of directors on 12 January 2009 and were signed on its behalf by:

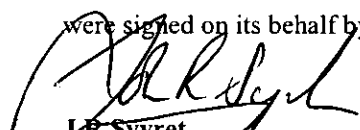

J R Syvret
Managing Director

Northwestern Shiprepairers and Shipbuilders Limited

Company Balance Sheet as at 31 May 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	10	828	667
Current assets			
Stocks	11	32	968
Debtors	12	7,649	4,666
Cash at bank and in hand		11,962	5,151
		19,643	10,785
Creditors: amounts falling due within one year	13	(14,836)	(8,000)
Net current assets		4,807	2,785
Net assets		5,635	3,452
Capital and reserves			
Called up share capital	15	-	-
Share premium	16	450	450
Profit and loss account	16	5,185	3,002
Total shareholders' funds	18	5,635	3,452

The financial statements on pages 8 to 22 were approved by the board of directors on 12 January 2009 and were signed on its behalf by:


J.R. Syvret
 Managing Director

Northwestern Shiprepairers and Shipbuilders Limited

Consolidated Cash Flow Statement for the year ended 31 May 2008

	2008	2007
	£'000	£'000
Cash flow statement		
Net cash inflow from operating activities	8,796	3,145
Returns on investments and servicing of finance		
- Interest received	330	175
Net cash inflow from returns on investments and servicing of finance	330	175
Taxation	(138)	(82)
Capital expenditure		
Purchase of tangible fixed assets	(397)	(196)
Net cash outflow for capital expenditure	(397)	(196)
Equity dividends paid	(2,179)	(958)
Increase in cash	6,412	2,084
Reconciliation to net cash		
Net cash at 1 June	5,577	3,493
Increase in net cash	6,412	2,084
Net cash at 31 May	11,989	5,577

Reconciliation of operating profit to cash inflow from operating activities

	2008	2007
	£'000	£'000
Operating profit	5,921	2,434
Depreciation charges	213	170
(Increase) / decrease in stocks	936	(670)
Decrease in debtors	(3,432)	(1,935)
Increase in creditors	5,158	3,146
Net cash inflow from operating activities	8,796	3,145

Northwestern Shiprepairers and Shipbuilders Limited

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 1985 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 NSL 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 on the 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.

Northwestern Shiprepairers and Shipbuilders Limited

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.

Northwestern Shiprepairers and Shipbuilders Limited

Notes to the financial statements for the year ended 31 May 2008

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:

	2008 £'000	2007 £'000
Wages	10,456	7,627
Social security costs	1,098	821
Staff costs	11,554	8,448
Depreciation for the year – owned assets	213	170
Operating leases – other	824	779
Machinery and equipment hire	1,514	787
Auditors' remuneration:		
Auditors remuneration – audit fees	30	35
Other fees payable to the auditors – taxation services	5	5

3 Directors' emoluments

	2008 £'000	2007 £'000
Remuneration	320	205
Highest paid director (aggregate emoluments)	151	94

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

Northwestern Shiprepairers and Shipbuilders Limited

4 Employee information

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

	2008 No.	2007 No.
Operations	305	242
Administration	18	12
	323	254

5 Exceptional costs

In January 2007 NSL reached an out of court settlement with A&P Group Ltd in respect of a claim made against the Company regarding trading rights from certain facilities within the shipyard. The associated costs were treated as exceptional in the prior year.

6 Net interest receivable

	2008 £'000	2007 £'000
Interest receivable on short-term deposits and other investments	330	175

7 Taxation

	2008 £'000	2007 £'000
Current tax:		
UK corporation tax on profits of the period	1,866	934
Adjustment in respect of previous periods	-	(55)
Total current tax charge	1,866	879
Deferred tax:		
Origination and reversal of timing differences	12	(97)
Adjustments in respect of previous periods	5	185
Total deferred tax charge (note 14)	17	88
Tax on profit on ordinary activities	1,883	967

Northwestern Shiprepairers and Shipbuilders Limited

7 Taxation (continued)

The tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	6,251	2,609
Profit on ordinary activities, multiplied by standard rate of corporation tax in the UK of 29.67% (2007:30%)	1,855	783
Effects of:		
Expenses not deductible for tax purposes	23	54
Accelerated capital allowances / other timing differences	(12)	97
Adjustments in respect of prior periods	-	(55)
Current tax charge for the year	1,866	879

8 Dividends

	2008 £'000	2007 £'000
Equity - Ordinary		
Dividends paid £65.24 (2007: £31.86) per 1p share	2,179	958

The directors have recommended total dividends of £3,264,000 (£97.72 per share).

9 Fixed asset investments

The company had the following investments at 31 May 2008:

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.

The Company set up a new subsidiary, Neway Industrial and Environmental Services Ltd on 15th Feb 2008. In the period to 31 May 2008 the company generated a retained profit of £4,000.

Northwestern Shiprepairers and Shipbuilders Limited

10 Tangible assets

(a) Consolidated

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2007	503	712	103	115	1,433
Additions	197	178	-	22	397
At 31 May 2008	700	890	103	137	1,830
Accumulated depreciation					
At 1 June 2007	324	289	72	81	766
Charge for the year	102	86	8	17	213
At 31 May 2008	426	375	80	98	979
Net book value					
At 31 May 2008	274	515	23	39	851
At 31 May 2007	179	423	31	34	667

Northwestern Shiprepairers and Shipbuilders Limited

10 Tangible assets (continued)

(b) Company

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2007	503	712	103	115	1,433
Additions	172	178	-	22	372
At 31 May 2008	675	890	103	137	1,805
Accumulated depreciation					
At 1 June 2007	324	289	72	81	766
Charge for the year	100	86	8	17	211
At 31 May 2008	424	375	80	98	977
Net book value					
At 31 May 2008	251	515	23	39	828
At 31 May 2007	179	423	31	34	667

At 31 May 2008 (2007: £nil) there were no capital commitments contracted but not provided for in the accounts.

11 Stock

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Raw materials and consumables	32	32	32	32
Work in progress	-	936	-	936
Total stocks	32	968	32	968

Northwestern Shiprepairers and Shipbuilders Limited

12 Debtors

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade debtors	4,313	3,170	4,118	2,986
Amounts owed by group undertakings	-	-	-	576
Amounts owed by related party	178	155	178	155
Prepayments and accrued income	2,708	416	2,708	416
Inter Company debtors	-	-	155	-
Other taxation and social security	427	453	427	453
Deferred taxation (see note 14)	63	80	63	80
Total debtors	7,689	4,274	7,649	4,666

13 Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade creditors	6,121	5,989	6,039	5,989
Amounts owed to related party	45	78	45	78
Corporation tax	2,966	1,238	2,964	1,238
Other taxation and social security payable	354	325	354	325
Accruals and deferred income	5,434	404	5,434	370
Total creditors falling due within one year	14,920	8,034	14,836	8,000

Northwestern Shiprepairers and Shipbuilders Limited

14 Deferred taxation

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
At 1 June	80	168	80	168
Charged to profit and loss account	(17)	(88)	(17)	(88)
At 31 May (see note 12)	63	80	63	80

The balance relates to:

Accelerated capital allowances	(24)	(21)	(24)	(21)
Short term timing differences	87	101	87	101
Total deferred tax asset	63	80	63	80

15 Called-up share capital

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Authorised:				
16,700 ordinary A shares of 1 penny each	167	167	167	167
16,700 ordinary B shares of 1 penny each	167	167	167	167
Allotted, called-up and fully paid:				
16,700 ordinary A shares of 1 penny each	167	167	167	167
16,700 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.

Northwestern Shiprepairers and Shipbuilders Limited

16 Reserves

Group	Share premium account £'000	Profit and loss account £'000
At 1 June 2007	450	3,002
Dividends paid in the year	-	(2,179)
Retained profit for the financial year	-	4,368
At 31 May 2008	450	5,191

Company	Share premium account £'000	Profit and loss account £'000
At 1 June 2007	450	3,002
Dividends paid in the year	-	(2,179)
Retained profit for the financial year	-	4,362
At 31 May 2008	450	5,185

17 Financial commitments

At 31 May 2008 the company had annual commitments under operating leases expiring as follows:

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Land and buildings				
Within 2 – 5 years	920	740	920	740
	920	740	920	740

Northwestern Shiprepairers and Shipbuilders Limited

18 Reconciliation in equity shareholders funds

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Profit for the year	4,368	1,642	4,362	1,642
Dividends paid	(2,179)	(958)	(2,179)	(958)
Retained profit for the financial year	2,189	684	2,183	684
Equity shareholders' funds at 1 June	3,452	2,768	3,452	2,768
Equity shareholders' funds at 31 May	5,641	3,452	5,635	3,452

19 Analysis of net cash

	At 1 June 2007	Cash flow	At 31 May 2008
	£'000	£'000	£'000
Cash in hand and at bank	5,577	6,412	11,989

20 Related Party Transactions

The company is a joint venture between the directors and The Mersey Docks and Harbour Company.

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Purchases from Mersey Docks (excluding VAT)	367	484	367	484
Sales to Mersey Docks (excluding VAT)	609	882	609	882
Debtor 31 May Mersey Docks	178	155	178	155
Creditor 31 May Mersey Docks	45	78	45	78