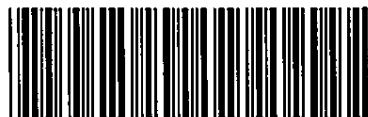


Co House

REGISTERED NUMBER 2695908 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2008
FOR
GREEN MARINE LIMITED**

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GREEN MARINE LIMITED

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for the Year Ended 29 February 2008**

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GREEN MARINE LIMITED
COMPANY INFORMATION
for the Year Ended 29 February 2008

DIRECTORS	W L Green I M King Mrs E Green
SECRETARY	Mrs E Green
REGISTERED OFFICE	Waterloo Road Lymington Hampshire SO41 9DB
REGISTERED NUMBER.	2695908 (England and Wales)
AUDITORS	Stephenson Sheppard & Co Registered Auditors & Chartered Accountants Albany House 5 New Street Salisbury Wiltshire SP1 2PH
BANKERS	Lloyds TSB Bank Plc 38 High Street Lymington Hampshire SO41 9ZF

GREEN MARINE LIMITED
REPORT OF THE DIRECTORS
for the Year Ended 29 February 2008

The directors present their report with the financial statements of the company for the year ended 29 February 2008

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of production of high technology boats and marine equipment

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The sales forecast was achieved in the year, however gross profit was disappointing due mainly to the difficulty in sourcing skilled labour and technical problems on certain contracts. Overheads were satisfactory, however repairs and maintenance were high due to extensive repairs to the Waterloo Road premises

The order book is full and the results for the coming year should show a marked improvement

DIVIDENDS

No dividends will be distributed for the year ended 29 February 2008

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 March 2007 to the date of this report unless otherwise stated

The beneficial interests of the directors holding office at 29 February 2008 in the shares of the company, according to the register of directors' interests, were as follows

	29 2 08	1 3 07 or date of appointment if later
Ordinary shares of £1 each		
W L Green	34	34
I M King	49	49
Mrs E Green - appointed 28/8/2007	17	17

These directors did not hold any non-beneficial interests in the shares of the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which 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 1985. 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

GREEN MARINE LIMITED
REPORT OF THE DIRECTORS
for the Year Ended 29 February 2008

AUDITORS

The auditors, Stephenson Sheppard & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD.

I M King - Director

A handwritten signature in black ink, appearing to be 'I M King', written in a cursive style.

18 June 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
GREEN MARINE LIMITED**

We have audited the financial statements of Green Marine Limited for the year ended 29 February 2008 on pages five to thirteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Report of the Directors 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 the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 company's affairs as at 29 February 2008 and of its loss 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 Report of the Directors is consistent with the financial statements.



Stephenson Sheppard & Co
Registered Auditors &
Chartered Accountants
Albany House
5 New Street
Salisbury
Wiltshire SP1 2PH

23 June 2008

GREEN MARINE LIMITED
PROFIT AND LOSS ACCOUNT
for the Year Ended 29 February 2008

	Notes	2008 £	2007 £
TURNOVER	2	7,808,222	6,155,465
Cost of sales		6,589,132	4,698,956
GROSS PROFIT		1,219,090	1,456,509
Administrative expenses		1,358,430	1,254,221
OPERATING (LOSS)/PROFIT	4	(139,340)	202,288
Interest receivable and similar income		21,300	5,980
		(118,040)	208,268
Interest payable and similar charges	5	52,695	23,560
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(170,735)	184,708
Tax on (loss)/profit on ordinary activities	6	(43,829)	53,395
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(126,906)	131,313

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

GREEN MARINE LIMITED

BALANCE SHEET
29 February 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	300,946	178,996
CURRENT ASSETS			
Stocks	8	608,535	395,301
Debtors	9	621,683	551,402
Cash at bank and in hand		49,743	500,417
		<u>1,279,961</u>	<u>1,447,120</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,055,325</u>	<u>777,053</u>
NET CURRENT ASSETS		<u>224,636</u>	<u>670,067</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>525,582</u>	<u>849,063</u>
CREDITORS			
Amounts falling due after more than one year	11	(423,944)	(624,135)
PROVISIONS FOR LIABILITIES	14	(3,616)	-
NET ASSETS		<u><u>98,022</u></u>	<u><u>224,928</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>97,922</u>	<u>224,828</u>
SHAREHOLDERS' FUNDS	18	<u><u>98,022</u></u>	<u><u>224,928</u></u>

The financial statements were approved by the Board of Directors on 18 June 2008 and were signed on its behalf by

I M King - Director



The notes form part of these financial statements

GREEN MARINE LIMITED
CASH FLOW STATEMENT
for the Year Ended 29 February 2008

	Notes	2008 £	£	2007 £	£
Net cash (outflow)/inflow from operating activities	1		(25,700)		856,586
Returns on investments and servicing of finance	2		(31,395)		(17,580)
Taxation			(12,194)		(9,713)
Capital expenditure	2		(200,420)		(62,779)
			(269,709)		766,514
Financing	2		(172,264)		-
(Decrease)/Increase in cash in the period			(441,973)		766,514

Reconciliation of net cash flow to movement in net debt

	3				
(Decrease)/Increase in cash in the period		(441,973)		766,514	
Cash outflow from decrease in debt		172,264		-	
Change in net debt resulting from cash flows			(269,709)		766,514
Movement in net debt in the period			(269,709)		766,514
Net debt at 1 March			(304,636)		(1,071,150)
Net debt at 29 February			(574,345)		(304,636)

The notes form part of these financial statements

GREEN MARINE LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 29 February 2008**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating (loss)/profit	(139,340)	202,288
Depreciation charges	78,468	101,103
Loss on disposal of fixed assets	-	4,589
(Increase)/Decrease in stocks	(213,234)	316,212
(Increase)/Decrease in debtors	(70,281)	77,340
Increase in creditors	318,687	155,054
Net cash (outflow)/inflow from operating activities	<u>(25,700)</u>	<u>856,586</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	21,300	5,980
Interest paid	(52,695)	(23,560)
Net cash outflow for returns on investments and servicing of finance	<u>(31,395)</u>	<u>(17,580)</u>
Capital expenditure		
Purchase of tangible fixed assets	(200,420)	(63,878)
Sale of tangible fixed assets	-	1,099
Net cash outflow for capital expenditure	<u>(200,420)</u>	<u>(62,779)</u>
Financing		
Loan repayments in year	(172,264)	-
Net cash outflow from financing	<u>(172,264)</u>	<u>-</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 3 07 £	Cash flow £	At 29 2 08 £
Net cash			
Cash at bank and in hand	500,417	(450,674)	49,743
Bank overdraft	(8,701)	8,701	-
	<u>491,716</u>	<u>(441,973)</u>	<u>49,743</u>
Debt			
Debts falling due within one year	(172,217)	(27,927)	(200,144)
Debts falling due after one year	(624,135)	200,191	(423,944)
	<u>(796,352)</u>	<u>172,264</u>	<u>(624,088)</u>
Total	<u>(304,636)</u>	<u>(269,709)</u>	<u>(574,345)</u>

The notes form part of these financial statements

GREEN MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 29 February 2008

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to property	- 10% on cost
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Stock and Work in Progress

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Long term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover represents the value of work certified as completed during the year by reference to the stages of completion as laid out in the contracts concerned. Attributable profit is recognised as the difference between recorded turnover and the related costs

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 TURNOVER

The turnover and loss (2007 - profit) before taxation are attributable to the one principal activity of the company

A geographical analysis of turnover is £3,743,854 (2007 - £3,482,523) in the UK, and £4,064,367 (2007 - £2,672,942) for the Rest of the World

GREEN MARINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 29 February 2008**

3 STAFF COSTS

	2008	2007
	£	£
Wages & salaries	2,428,320	1,849,672
Social security costs	257,607	191,726
Other pension costs	31,085	44,715
	<u>2,717,012</u>	<u>2,086,113</u>

The average monthly number of employees during the year was as follows

	2008	2007
Operation	99	74
Office & administration	9	10
	<u>108</u>	<u>84</u>

4 OPERATING (LOSS)/PROFIT

The operating loss (2007 - operating profit) is stated after charging

	2008	2007
	£	£
Hire of plant and machinery	7,511	1,218
Depreciation - owned assets	78,468	101,103
Loss on disposal of fixed assets	-	4,589
Auditors' remuneration	8,000	8,000
Research & development	6,320	4,269
Other operating lease	<u>134,000</u>	<u>55,833</u>
Directors' emoluments	<u>44,159</u>	<u>95,475</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Loan	<u>52,695</u>	<u>23,560</u>

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2008	2007
	£	£
Current tax		
UK corporation tax	-	53,395
UK corporation tax(prior year)	<u>(47,445)</u>	<u>-</u>
Total current tax	<u>(47,445)</u>	<u>53,395</u>
Deferred tax	<u>3,616</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(43,829)</u>	<u>53,395</u>

UK corporation tax has been charged at 30% (2007 - 30%)

GREEN MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 29 February 2008

6 TAXATION - continued

Factors affecting the tax (credit)/charge

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

	2008 £	2007 £
(Loss)/profit on ordinary activities before tax	<u>(170,735)</u>	<u>184,708</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	(51,221)	55,412
Effects of		
Disallowed expenditure	3,984	2,361
Depreciation on non-qualifying assets	2,830	4,222
R&D tax credit	-	(640)
Under provision in previous years	692	-
Small company tax rate relief	11,368	(14,410)
Capital allowances in excess of depreciation	(15,178)	6,450
Losses carried forward	80	-
Current tax (credit)/charge	<u>(47,445)</u>	<u>53,395</u>

7 TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 March 2007	94,373	1,388,291	58,341	1,541,005
Additions	11,233	188,337	850	200,420
Disposals	-	-	(14,660)	(14,660)
At 29 February 2008	<u>105,606</u>	<u>1,576,628</u>	<u>44,531</u>	<u>1,726,765</u>
DEPRECIATION				
At 1 March 2007	53,497	1,270,541	37,973	1,362,011
Charge for year	9,436	61,410	7,622	78,468
Eliminated on disposal	-	-	(14,660)	(14,660)
At 29 February 2008	<u>62,933</u>	<u>1,331,951</u>	<u>30,935</u>	<u>1,425,819</u>
NET BOOK VALUE				
At 29 February 2008	<u>42,673</u>	<u>244,677</u>	<u>13,596</u>	<u>300,946</u>
At 28 February 2007	<u>40,876</u>	<u>117,750</u>	<u>20,368</u>	<u>178,994</u>

8 STOCKS

	2008 £	2007 £
Raw materials	95,771	125,278
Work in progress	512,764	270,023
	<u>608,535</u>	<u>395,301</u>

GREEN MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 29 February 2008

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	510,893	445,708
Other debtors	54,210	35,736
Prepayments and accrued income	56,580	69,958
	<u>621,683</u>	<u>551,402</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 12)	-	8,701
Other loans (see note 12)	200,144	172,217
Trade creditors	568,463	294,994
Tax	-	59,641
Social security and other taxes	119,930	95,035
Payment in advance	85,000	-
Payroll control	36,689	-
Accrued expenses	45,099	146,465
	<u>1,055,325</u>	<u>777,053</u>

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Other loans (see note 12)	<u>423,944</u>	<u>624,135</u>

12 LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below

	2008	2007
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	8,701
Other loans	<u>200,144</u>	<u>172,217</u>
	<u>200,144</u>	<u>180,918</u>
Amounts falling due between two and five years		
Other loans - 2-5 years	<u>423,944</u>	<u>624,135</u>

The loan of £796,352 was assigned to the shareholders on 4 October 2006 on the voluntary liquidation of the holding company Green Marine Limited. The loan carries an interest rate of 2% above bank base rate and is repayable over 4 years.

13 SECURED DEBTS

The following secured debts are included within creditors

	2008	2007
	£	£
Bank overdraft	<u>-</u>	<u>8,701</u>

The bank overdraft is secured by an unlimited debenture dated 23 June 1997

14 PROVISIONS FOR LIABILITIES

	2008	2007
	£	£
Deferred tax	<u>3,616</u>	<u>-</u>

GREEN MARINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 29 February 2008**

14 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Accelerated capital allowances	3,616
Balance at 29 February 2008	<u>3,616</u>

15 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2008 £	2007 £
500,000	Ordinary shares		<u>500,000</u>	<u>500,000</u>
Allotted and issued Number	Class	Nominal value £1	2008 £	2007 £
100	Share capital 1		<u>100</u>	<u>100</u>

16 RESERVES

	Profit and loss account £
At 1 March 2007	224,828
Deficit for the year	<u>(126,906)</u>
At 29 February 2008	<u>97,922</u>

17 RELATED PARTY DISCLOSURES

During the year the company paid rent for factory premises of £113,261 to Green Marine Pension Fund, and £44,000 to the company's shareholders

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
(Loss)/Profit for the financial year	<u>(126,906)</u>	<u>131,313</u>
Net (reduction)/addition to shareholders' funds	<u>(126,906)</u>	<u>131,313</u>
Opening shareholders' funds	224,928	93,615
Closing shareholders' funds	<u>98,022</u>	<u>224,928</u>

19 OPERATING LEASE COMMITMENTS (ALL LAND AND BUILDINGS)

The following payments are committed to be paid within one year

Less than 1 year	0
between 2 and 5 years	£134,000
over 5 years	0