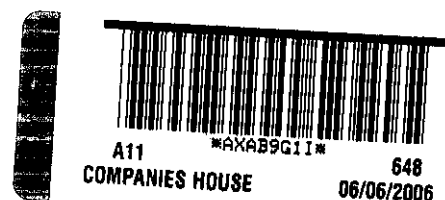


A&P Falmouth Limited
Annual report and accounts
for the year ended 31 December 2005

Registered Number 103287



A&P Falmouth Limited

Annual report and accounts

for the year ended 31 December 2005

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A&P Falmouth Limited

Directors and Advisors

Directors

K P Thompson

P H Child

A&P Group Limited

Secretary

K P Thompson

Auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Solicitors

DLA

1 St Pauls Place

Sheffield

S1 2JX

Registered Office

Eling Wharf

High Street

Totton

Southampton

SO40 9TN

Registered Number

103287

Bankers

National Westminster Bank plc

Corporate Banking London

8th Floor

280 Bishopsgate

London

EC2M 4RB

A&P Falmouth Limited

Directors' report for the year ended 31 December 2005

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2005.

Principal activity and business review

The principal activity of the Company is the provision of ship repair and marine engineering services.

It is the intention of the Directors to continue to develop the business taking into account the prevailing market conditions. The results for the year are shown on page 6.

Dividends

The Directors do not recommend the payment of a dividend (2004: £Nil).

Directors and their interests

The names of the Directors who held office during the year and at the date of this report, except where indicated, were as follows:

D P Parry (resigned 21 December 2005)
K P Thompson
P H Child
A&P Group Limited

None of the Directors had any interests in the Company. The interests of the Directors in the shares of the ultimate holding Company A&P Group Limited, are disclosed in the financial statements of that Company, except as disclosed below.

The following Directors had beneficial interests in the shares of the ultimate parent Company, A&P Group Limited, as at 31 December:

	2005 Ordinary shares of 1p each Number	2004 Ordinary shares of 10p each Number
D P Parry	-	400
P Child	725	400

A&P Falmouth Limited

Disabled 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 group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'K P Thompson', is written over the printed name.

K P Thompson
Director

22 May 2006

A&P Falmouth Limited

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that 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. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

By order of the board

A handwritten signature in black ink, appearing to read 'K P Thompson', is written over a horizontal line.

K P Thompson
Director

22 May 2006

A&P Falmouth Limited

Independent auditors' report to the members of A&P Falmouth Limited

We have audited the financial statements of A&P Falmouth Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

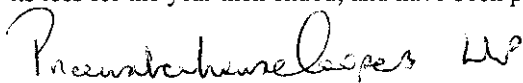
Basis of audit opinion

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 judgments 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 31 December 2005 and of its loss for the year then ended; and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

22 May 2006

A&P Falmouth Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	As restated 2004 £
Turnover	1	22,754,141	37,201,115
Cost of sales		(21,700,344)	(34,604,784)
Gross profit		1,053,797	2,596,331
Administrative expenses		(2,202,314)	(2,218,927)
Operating (loss)/profit		(1,148,517)	377,404
Interest payable and similar charges	3	(83,886)	(9,338)
Profit on ordinary activities before taxation	2	(1,232,403)	368,066
Tax on profit on ordinary activities	6	(4,036)	4,036
Retained (loss)/profit for the year	14	(1,236,439)	372,102

All of the activities of the Company are continuing.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

A&P Falmouth Limited

Statement of total recognised gains and losses for the year ended 31 December 2005

	Note	2005 £	As restated 2004 £
(Loss)/ profit for the financial year	14	(1,236,439)	372,102
Actuarial loss on pension scheme	19	(1,173,000)	(1,788,000)
Total recognised gains and losses during the year		(2,409,439)	(1,425,898)
Prior year adjustment		-	(6,847,710)
Total gains and losses recognised since last annual report		(2,409,439)	(8,273,608)

A&P Falmouth Limited

Balance sheet as at 31 December 2005

	Note	2005 £	As restated 2004 £
Fixed assets			
Tangible assets	7	6,116,961	5,266,202
Current assets			
Stocks	8	262,222	407,565
Debtors	9	2,366,508	4,201,639
Cash at bank and in hand		1,850,455	4,156,678
		4,479,185	8,765,882
Creditors: amounts falling due within one year	10	(4,701,488)	(7,277,968)
Net current (liabilities)/assets		(222,303)	1,487,914
Total assets less current liabilities		5,894,658	6,754,116
Creditors: amounts falling due after more than one year	11	(805,031)	(16,569)
Provisions for liabilities and charges	12	(1,892,493)	(2,223,974)
Pension liability	19	(9,870,000)	(8,777,000)
Net liabilities		(6,672,866)	(4,263,427)
Capital and reserves			
Called up equity share capital	13	4,750,000	4,750,000
Profit and loss account	14	(11,422,866)	(9,013,427)
Equity shareholders' deficit	15	(6,672,866)	(4,263,427)

The financial statements on pages 6 to 22 were approved by the board of directors on 22 May 2006 and were signed on its behalf by:



K P Thompson
Director

A&P Falmouth Limited

Accounting policies

These financial statements are prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and on a going concern basis.

The validity of the going concern basis depends upon the continuing support of the parent company and the ability of the company to trade profitably through its principal activity. The directors of the ultimate parent company and controlling party have expressed their willingness to continue to support the company and on this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Change in accounting policies

The Group has adopted FRS17 'Retirement Benefits' in the financial statements. The adoption of the standard represents a change in accounting policy and the comparative figures have been restated accordingly. The effect of the change to adopt FRS17 was to decrease staff costs in 2004 by £93,000. The balance sheet has been restated in 2004 through the reversal of the pension provision of £234,290 recorded under the previous accounting policy and the inclusion of the opening pension deficit under FRS 17 of £7,082,000.

The Company has accounted for pension costs in 2005 as described in note 19 to the financial statements.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the costs of tangible fixed assets, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Long leasehold improvements	2 - 10%
Plant and machinery	2½%- 33⅓%

Operating and finance lease agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

A&P Falmouth Limited

Contract balances

Amounts recoverable on contracts are shown at valuation, less amounts invoiced or received. Valuation includes the cost of materials and direct labour, together with attributable profit, estimated to be earned to date. Direct labour hours are used to determine the level of completion for routine and normal ship repair contracts. In circumstances where application of the above policy would unduly accelerate or delay the recognition of profits materially, other direct costs are taken into account. Full provision is made for any known or anticipated losses. The excess of payments received over amounts recorded as turnover is classified under creditors within one year as payments on account.

Turnover

Turnover comprises the sales value of goods and services supplied in the normal course of business. Also included in turnover are the values of contracts in progress based on the level of completion. All sales are shown exclusive of Value Added Tax.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. This is with the exception of deferred taxation assets, which are recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Pension scheme arrangements

The company operates a defined benefit pension scheme which is funded by contributions made by the company and employees. The company contributions are made in accordance with periodic calculations by professionally qualified actuaries.

The operating cost of providing pensions, as calculated periodically by independent actuaries, is charged to the company's operating profit and loss in the period that those benefits are earned by employees. The financial return expected on the scheme's assets is recognised in the period in which they arise as part of finance income and the effect of the unwinding of the discounted value of the scheme's liabilities is treated as part of finance costs. The changes in value of the schemes' assets and liabilities are reported as actuarial gains or losses as they arise in the statement of total recognised gains and losses. The pension scheme's surplus, to the extent it is considered recoverable, or deficit is recognised in full and presented in the balance sheet net of any related deferred tax.

The company also operates a defined contribution scheme. The company recognises contributions made to this scheme as a charge in the profit and loss account in the year.

Cash flow statement

The Company is a wholly owned subsidiary and is exempt under the terms of Financial Reporting Standard No 1 (revised) from publishing a cash flow statement.

A&P Falmouth Limited

Notes to the financial statements for the year ended 31 December 2005

1 Geographical analysis of turnover by destination

	2005 £	2004 £
United Kingdom	18,430,623	32,782,589
Rest of Europe	3,230,811	2,471,526
North America	449,061	-
Rest of World	643,646	1,947,000
	22,754,141	37,201,115

2 Loss on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of tangible fixed assets:		
- Owned assets	501,115	429,778
- Assets held under finance leases and hire purchase contracts	29,050	9,558
Hire of plant and machinery – operating leases	246,016	229,499
Auditors' remuneration	15,920	15,448
Fees paid to auditors for non-audit services	6,180	5,980
(Gain)/loss on sale of tangible fixed assets	(3,500)	90,934
Property rental	1,000,000	1,000,000

A&P Falmouth Limited

3 Interest payable and similar charges

	2005	2004
	£	£
Hire purchase and finance lease interest	38,661	9,338
Other interest	45,225	-
	83,886	9,338

4 Employee information

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

	2005	2004
	Number	Number
Direct employees	364	550
Indirect employees	32	37
	396	587

	2005	2004
	£	£
Staff costs for the above persons:		
Wages and salaries	9,613,752	13,973,488
Social security costs	807,501	1,089,266
Other pension costs	653,462	569,014
	11,074,715	15,631,768

A&P Falmouth Limited

5 Directors' emoluments

Directors' remuneration (including payments made by other group companies) was paid in respect of Directors of the Company as follows:

	2005	2004
	£	£
Aggregate emoluments	74,076	76,397

Retirement benefits are accruing to one (2004: one) Director under the Company's defined benefit scheme.

The emoluments of certain Directors, who are also Directors of a number of group companies, are borne in full by the principal employing Company. No recharge is made as these Directors provide services primarily to the principal employer. These Directors' emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of the principal employer.

6 Tax on profit on ordinary activities

(a) Analysis of tax charge/ (credit) in the year

	2005	2004
	£	£
Current tax:		
UK corporation tax on profits of the period	-	(20,798)
Adjustments in respect of prior years	20,798	-
Total current tax	20,798	(20,798)
Deferred tax:		
Origination and reversal of timing differences	(16,762)	16,762
Tax on profit on ordinary activities	4,036	(4,036)

A&P Falmouth Limited

(b) Factors affecting tax credit for the year

The tax assessed for the period is lower (2004: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	As restated 2004 £
Profit on ordinary activities before tax	(1,232,403)	368,066
Profit on ordinary activities multiplied by standard rate in the UK 30% (2004: 30%)	(369,721)	110,420
Effects of:		
Expenses not deductible for tax purposes	17,795	13,229
Accelerated capital allowances and other timing differences	351,926	(144,447)
Adjustments in respect of prior periods	20,798	-
Current tax charge for the period	20,798	(20,798)

Deferred tax

The amount of deferred tax provided for in the accounts at the year end were as follows:

	2005 £	2004 £
Excess of tax allowances over depreciation	348,284	103,756
Other timing differences	(86,994)	(86,994)
Losses	(261,290)	-
	-	16,762

The amounts of deferred tax asset unprovided for in the accounts at the year end were as follows:

	2005 £	As restated 2004 £
Losses	313,475	-
Pension deficit	2,961,000	2,633,100
	3,274,475	2,633,100

These assets have not been provided since, in the opinion of the Directors, it is more likely than not that they will be irrecoverable in the short term.

A&P Falmouth Limited

7 Tangible assets

	Long leasehold improvements	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2005	1,255,536	10,443,765	11,699,301
Additions	-	1,358,392	1,358,392
Transferred from group companies	-	105,578	105,578
Disposals	-	(22,250)	(22,250)
At 31 December 2005	1,255,536	11,885,485	13,141,021
Accumulated depreciation			
At 1 January 2005	306,019	6,127,080	6,433,099
Charge for the year	53,216	476,949	530,165
Transferred from group companies	-	83,046	83,046
Disposals	-	(22,250)	(22,250)
At 31 December 2005	359,235	6,664,825	7,024,060
Net book amount			
At 31 December 2005	896,301	5,220,660	6,116,961
At 31 December 2004	949,517	4,316,685	5,266,202

Included in plant and machinery at 31 December 2005 are leased assets with a net book value of £1,424,769 (2004: £324,411).

8 Stocks

Stocks comprise raw materials and consumables.

A&P Falmouth Limited

9 Debtors

	2005	2004
	£	£
Trade debtors	1,296,342	1,363,316
Amounts recoverable on contracts	892,275	2,481,246
Amounts owed by group undertakings	-	59,702
Group relief receivable	-	20,798
Other debtors	112,071	154,115
Prepayments and accrued income	65,820	122,462
	2,366,508	4,201,639

10 Creditors: amounts falling due within one year

	2005	2004
	£	£
Trade creditors	3,180,056	5,597,624
Amounts due to group undertakings	109,968	401,629
Obligations under finance leases	124,804	30,765
Other taxation and social security	265,397	548,740
Other creditors	132,106	74,783
Accruals and deferred income	889,157	624,427
	4,701,488	7,277,968

A&P Falmouth Limited

11 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Obligations under finance leases	805,031	16,569
The net finance lease obligations to which the Company are committed are:		
In one year or less (see note 10)	124,804	30,765
Between one and two years	116,871	16,569
Between two and five years	688,160	-
	929,835	47,334

12 Provision for liabilities and charges

	Deferred tax provision £	Pension provision £	Other provision £	Total £
At 1 January 2005	16,762	234,290	2,207,212	2,458,264
Prior year adjustment	-	(234,290)	-	(234,290)
At 1 January 2005, as restated	16,762	-	2,207,212	2,223,974
Utilised during the year	(16,762)	-	(314,719)	(331,481)
At 31 December 2005	-	-	1,892,493	1,892,493

Other provision

The Company, in conjunction with its insurers, remains party to a number of employee litigation claims. The Directors believe that the litigation and related costs arising from such claims will continue for the foreseeable future. In determining the provision, expected future liabilities have been discounted on a pre-tax basis using a discount rate of 4.25%. The provision is expected to be utilised over the next 22 years (2004: 23 years).

No account has been taken of expected recoveries from insurers or insurance compensation schemes as they cannot at this time be regarded as virtually certain. Nevertheless the Directors expect to make significant recoveries in due course following the settlement of any of these claims.

Deferred tax provision

See note 6(b) for details of the deferred tax provided for in the accounts at the year end.

A&P Falmouth Limited

13 Called up equity share capital

	2005 £	2004 £
Authorised, allotted, called up and fully paid		
4,750,000 (2004: 4,750,000) ordinary shares of £1 each	4,750,000	4,750,000

14 Reserves

	2005 £	2004 £
Balance as at 1 January as previously reported	(470,717)	(749,819)
Prior year adjustment – SSAP24	234,290	234,290
Prior year adjustment – FRS 17	(8,777,000)	(7,082,000)
Balance as at 1 January, as restated	(9,013,427)	(7,597,529)
Retained loss/ (profit) for the year, as restated	(1,236,439)	372,102
Actuarial loss relating to the pension scheme	(1,173,000)	(1,788,000)
Balance at 31 December 2005	(11,422,866)	(9,013,427)

15 Reconciliation of movements in equity shareholders' funds

	2005 £	As restated 2004 £
Equity shareholders' funds at January 1, as previously reported	4,279,283	4,000,181
Prior year adjustment – SSAP24	234,290	234,290
Prior year adjustment – FRS 17	(8,777,000)	(7,082,000)
Equity shareholders' deficit at January 1, as restated	(4,263,427)	(2,847,529)
Retained loss/ (profit) for the year	(1,236,439)	372,102
Actuarial loss relating to the pension scheme	(1,173,000)	(1,788,000)
Equity shareholders' deficit at December 31, as restated	(6,672,866)	(4,263,427)
Represented by:		
Pension liability	(9,870,000)	(8,777,000)
Shareholders' funds excluding pension liability	3,197,134	4,513,573

A&P Falmouth Limited

16 Contingent liabilities

The Company has entered into cross guarantees in favour of National Westminster Bank plc regarding bank overdrafts held by other A&P Group Limited group companies which at 31 December 2005 amounted to £Nil (2004: £Nil).

17 Capital commitments

	2005	2004
	£	£
Contracts placed for future capital expenditure not provided in the financial statements	20,964	779

18 Financial commitments

At 31 December 2005 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Plant and machinery	
	2005	2004	2005	2004
	£	£	£	£
Within one year		-	27,615	8,916
Within two to five years		-	184,893	197,761
After five years	1,000,000	1,000,000	-	-
	1,000,000	1,000,000	212,508	206,677

19 Pension arrangements

(a) Defined contribution arrangements

Certain of the company's employees are members of money purchase schemes. The company's contributions to these schemes amounted to £14,994 (2004: £7,402). The company also makes contributions for certain employees to the A&P Group defined benefit scheme. The company has taken the exemption available under FRS 17 to record the contributions payable in the year of £40,841 (2004: £40,187) as a charge to the profit and loss account, as the assets and liabilities of this scheme are not allocable amongst the subsidiaries.

(b) Defined benefit arrangements

The company participates in the Shipbuilding Industries Pension Schemes (SIPS), a defined benefit pension scheme which is administered by trustees, providing benefits based on final pensionable pay. A full actuarial valuation was conducted, in line with FRS 17, at December 31, 2005.

A&P Falmouth Limited

The major assumptions used by the actuaries were:

	2005	2004	2003
Rate of increase in salaries	4.30%	4.25%	4.25%
Rate of increase in pension payments	2.80%	2.75%	2.75%
Discount rate	4.8%	5.30%	5.5%
Inflation assumption	2.8%	2.75%	2.75%

The assets in the schemes and the expected rates of return were:

	Value at 31 December 2005 £'000	Long term expected rate of return at 31 December 2005 £'000	Value at 31 December 2004 £'000	Long term expected rate of return at 31 December 2004 £'000	Value at 31 December 2003 £'000	Long term expected rate of return at 31 December 2003 £'000
Equities	22,283	8.0%	18,747	8.5%	16,612	8.5%
Fixed interest gilts	2,701	4.1%	2,253	4.6%	1,782	4.8%
Insured pensioners	197	4.8%	197	5.3%	171	5.5%
Total market value of assets	25,181		21,197		18,565	
Present value of liabilities	(35,051)		(29,974)		(25,647)	
Net deficit in scheme	(9,870)		(8,777)		(7,082)	

Analysis of the amount charged to operating profit:

	2005 £'000	2004 £'000
Current service cost	654	585

Analysis of the net return on pension scheme:

	2005 £'000	2004 £'000
Expected return on pension scheme assets	1,685	1,517
Interest on pension scheme liabilities	(1,587)	(1,414)
Net return	98	103

A&P Falmouth Limited

Analysis of amount recognised in statement of total recognised gains and losses:

	2005	2004
	£'000	£'000
Actual return less expected return on pension scheme assets	2,476	824
Experience gains and losses arising on scheme liabilities	(440)	(1,106)
Changes in assumptions underlying the present value of the scheme liabilities	(3,209)	(1,506)
Actuarial loss recognised in the statement of total recognised gains and losses	(1,173)	(1,788)

Movement in deficit during the year:

	2005	2004
	£'000	£'000
Deficit at 1 January	(8,777)	(7,082)
Movement in the year:		
Current service cost	(654)	(585)
Contributions	636	575
Net return	98	103
Actuarial (loss)/gain	(1,173)	(1,788)
Deficit at 31 December	(9,870)	(8,777)

Details of experience gains and losses for the year to 31 December 2005

	2005	2004
	£'000	£'000
Difference between the expected and actual return on scheme assets:		
Amount	2,476	824
Percentage of scheme assets	10%	4%
Experience gains and losses on scheme liabilities:		
Amount	(440)	(1,106)
Percentage of the present value of scheme liabilities	(1%)	4%
Total amount recognised in statement of total recognised gains and losses		
Amount	(1,173)	(1,788)
Percentage of the present value of scheme liabilities	3%	6%

A&P Falmouth Limited

20 Related party transactions

The Company has taken advantage of the exemptions available under Financial Reporting Standard No 8 and has not disclosed transactions with companies that are part of the A&P Group Limited group of companies.

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties, nature of these transactions and their total value is shown below:

	2005		2004	
	Value of transactions £	Receivable/ (payable) at the year end £	Value of transactions £	Receivable/ (payable) at the year end £
Transactions with A&PA Property Limited:				
Rental payments payable	1,000,000	(87,257)	1,000,000	(87,257)
Transactions with Falmouth Docks and Engineering Company (FDEC):				
Services and supplies from FDEC	268,356	(8,220)	438,487	(201,309)
Services and supplies to FDEC	1,401,658	41,094	1,263,839	85,651
Services and supplies from EAPL	40,338	(5,460)	-	-

A&PA Property Limited and FDEC are subsidiaries of the A&P Ports and Properties Limited group. This group is considered to be a related party of the A&P Group Limited group by virtue of common influence and control of the two groups.

European Active Projects Limited is considered to be a related party of the A&P Group Limited by reason of a 51% shareholding in the company. The company's trading has not been consolidated in the Group's financial statements as it does not have a material effect on the nature and focus of the group's operations.

21 Parent companies and controlling parties

The immediate parent undertaking is A&P Ship Repairers Limited. The Directors regard A&P Group Limited, which is incorporated in England and Wales, as the ultimate parent company and controlling party. The directors of A&P Group Limited collectively own approximately 95% of the equity share capital of that company and therefore, acting in concert, are the ultimate controlling party. No one director individually owns more than 50% of the equity share capital of A&P Group Limited. Copies of the parent's consolidated financial statements may be obtained from the company secretary at:

A&P Group Limited
Eling Wharf
High Street
Totton
Southampton
SO40 9TN