

SHOR plc

**REPORT AND ACCOUNTS
31 DECEMBER 2007**

THURSDAY



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COMPANIES HOUSE

COMPANY NO 2566974

SHOR plc

DIRECTORS AND ADVISORS

DIRECTORS

RH Bennett (Managing Director)

SJ Kendall

PMJ Brennan

VJ Draper

SECRETARY

SJ Kendall

REGISTERED OFFICE

27/28 Eastcastle Street

London

W1W 8DH

REGISTERED NUMBER

2566974

AUDITORS

Grant Thornton UK LLP

Grant Thornton House

Melton Street

Euston Square

London

NW1 2EP

SOLICITORS

Field Fisher Waterhouse

35 Vine Street

London

EC3N 2AA

BANKERS

Barclays Bank PLC

7th Floor

United Kingdom House

180 Oxford Street

London

W1D 1EA

SHOR plc

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and accounts for the year ended 31 December 2007

Results and dividend

The loss for the year after taxation amounted to £29,484 (2006 loss-£138,640)

The company paid dividends during the year amounting to £nil (2006-£183,583) and the directors do not recommend the payment of a final dividend

Principal activity, business review and future developments

The principal activity of the company is the design and construction of interiors in the commercial property market

The directors are pleased to report that the company's turnover increased to £4,627,583 following the disappointing level of 2006

The gross margin however fell from 15.8% in 2006 to 11.9% in 2007. This was in part due to lower fees earned on repeat order work and in part due to an increase in project staff costs required to service the increased volume of activity

Administrative costs were closely monitored during the year and increased only marginally

Despite the retained loss for the year the company retains a healthy balance sheet. The directors are of the view that 2008 will remain a challenging environment in which to operate

Key performance indicators

The directors have monitored the performance of the company with particular reference to the following key performance indicators

- 1 Budgeted cash flow to actual cash flow
- 2 Budgeted gross margin by sales contract to actual gross margin

Financial risk management

The company uses various financial instruments including loans to and from group companies, cash, trade debtors and trade creditors. The existence of these financial instruments exposes the company to a number of financial risks which are primarily liquidity risk and credit risk

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company funds its operations entirely from retained profits

Credit risk

The company's principle financial assets are amounts recoverable under contracts and cash. The risk is mitigated by regular application for and certification of works completed under contractual agreements

Directors

The directors in office during the year and at 31 December 2007 were as follows

RH Bennett
SJ Kendall
PMJ Brennan
VJ Draper

Insurance effected for directors

The company has purchased insurance for the directors against liability arising from negligence, as permitted under section 310 of the Companies Act.

Fixed assets

During the year the company acquired fixed assets which cost £18,898 further details of which are disclosed in note 7 to the accounts

Charitable contributions

Donations to charitable organisations amounted to £375

REPORT OF THE DIRECTORS (CONTINUED)

Creditor payment policy

The company agrees payment terms with its suppliers and subcontractors when orders are placed and seeks to abide by these terms when it is satisfied that goods and services have been provided in accordance with the relevant contractual arrangements. Trade creditors at the year end amount to 40 days of average supplies for the year.

Statement of directors' responsibilities

The directors are responsible 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).

Company law requires the directors to prepare financial statements for each financial year which 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 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 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 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.


In so far as the directors are aware

- there is no relevant audit information of which the group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Grant Thornton UK LLP as auditors to the company will be put to the Annual General Meeting.

By order of the Board



SJ Kendall

Company Secretary

31 July, 2008

SHOR plc

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SHOR PLC

We have audited the financial statements (the 'financial statements') of Shor Plc for the year ended 31 December 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 18. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and 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).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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. The other information comprises only the Directors' Report. 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

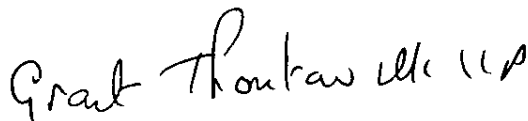
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of 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 2007 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 Directors' Report is consistent with the financial statements.



GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON
31 July 2008

SHOR plc
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		£	£
Turnover	1	4,627,583	2,313,118
Cost of sales		(4,075,373)	(1,947,485)
		<hr/>	<hr/>
Gross profit		552,210	365,633
Administrative expenses		(595,282)	(574,848)
		<hr/>	<hr/>
Operating (loss)	2	(43,072)	(209,215)
Interest receivable	3	16,523	22,053
		<hr/>	<hr/>
(Loss) on ordinary activities before taxation		(26,549)	(187,162)
Taxation on (loss) on ordinary activities	5	(2,935)	48,522
		<hr/>	<hr/>
(Loss) for the financial year		(29,484)	(138,640)
		<hr/>	<hr/>

All operations are continuing

There were no recognised gains or losses other than the loss for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

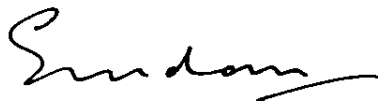
SHOR plc
BALANCE SHEET
AT 31 DECEMBER 2007

	Note	2007	2006
		£	£
Fixed assets			
Intangible assets	7	36,276	33,755
Current assets			
Work in progress	8	-	13,469
Debtors due within one year	9	887,279	998,564
Cash at bank and in hand		206,748	255,627
		<u>1,094,027</u>	<u>1,267,660</u>
Creditors amounts due within one year	10	<u>(621,571)</u>	<u>(763,199)</u>
Net current assets		<u>472,456</u>	<u>504,461</u>
Total assets less current liabilities		<u>508,732</u>	<u>538,216</u>
Capital and reserves			
Called-up share capital	11	52,500	52,500
Capital Redemption Reserve	12	17,500	17,500
Profit and loss account	12	438,732	468,216
		<u>508,732</u>	<u>538,216</u>
Shareholders' funds	12	<u>508,732</u>	<u>538,216</u>

Approved by the Board on 31 July, 2008



RH Bennett, Director



SJ Kendall, Director

The accompanying accounting policies and notes form an integral part of these financial statements

SHOR plc
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		£	£
Net cash (outflow) from operating activities	13(a)	(15,785)	(896,602)
Returns on investments and servicing of finance			
Interest received		16,523	22,053
		<u>738</u>	<u>(874,549)</u>
Taxation			
UK corporation tax paid		(30,719)	(64)
Capital expenditure			
Purchase of tangible fixed assets		18,898	(9,024)
Proceeds from disposal of fixed assets		-	3,000
		<u>(18,898)</u>	<u>(6,024)</u>
Equity dividends paid		-	(183,583)
(Decrease) in cash	13(b)	<u>(48,879)</u>	<u>(1,064,220)</u>

The accompanying accounting policies and notes form an integral part of these financial statements

SHOR plc
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2007

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The principal accounting policies of the company are set out below

Basis of preparation

Consolidated financial statements have not been prepared on the grounds that the company is a wholly-owned subsidiary of another company incorporated in Great Britain. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Turnover

Turnover is the total amount receivable in the ordinary course of business for services provided and goods supplied excluding value added tax. In the case of long-term contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

Depreciation

Depreciation has been provided on a straight line basis to reduce by equal annual instalments the cost less estimated residual value of all tangible fixed assets over their expected useful lives. The periods generally applicable are:

Short leasehold premises	Over life of lease
Fixtures, fittings and equipment	Five years

Stocks and work in progress

Stocks and short term work in progress are stated at the lower of cost and net realisable value.

Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Amounts recoverable on contracts represents work completed but which has not yet been invoiced.

Services provided to clients during the year, which at the balance sheet date have not been billed to clients, have been recognised as turnover in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions'. Application Note G 'Revenue Recognition' and UITF 40 'Revenue Recognition and Service Contracts'. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the company. Unbilled revenue is included in debtors.

SHOR plc

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Deferred taxation

Deferred taxation is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Leases

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and the useful life. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

Contributions to pension funds

The pension costs charged against profits represent the amount of the contributions payable to the company's defined contribution scheme in respect of the accounting period.

SHOR plc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1 Turnover

All turnover is attributable to the company's continuing principal activity and was within the United Kingdom

2 Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2007	2006
	£	£
Depreciation of owned assets	16,377	17,905
Auditor's remuneration		
Audit fees	16,000	13,500
Corporation tax compliance services	4,750	2,250
Operating leases - leasehold buildings	74,692	75,590
Loss on disposal of tangible fixed assets	-	1,292
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3 Interest receivable

Short-term deposits	16,523	22,053
	<hr/>	<hr/>

4 Directors and Employees

Staff costs for the year comprise

Wages and salaries	708,190	639,500
Social security costs	81,175	81,877
Other pension costs	7,282	7,197
	<hr/>	<hr/>
	796,647	728,574
	<hr/>	<hr/>

The average number of persons employed by the company including directors and directly employed site labour was

	2007	2006
	Number	Number
Technical staff	13	13
Administrative staff	3	4
	<hr/>	<hr/>
	16	17
	<hr/>	<hr/>

Remuneration in respect of the Directors was as follows

	£	£
Emoluments	312,087	234,097
Pension contributions to money purchase pension schemes	7,282	7,197
	<hr/>	<hr/>
	319,369	241,294
	<hr/>	<hr/>

SHOR plc**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007****4 Directors and Employees (continued)**

During the year one director (2006-one) participated in a defined contributions pension scheme

The amounts set out above include remuneration in respect of the highest paid director as follows

	2007	2006
	£	£
Emoluments	101,858	76,447
Pension contributions to money purchase pension schemes	7,282	7,197
	<u>109,140</u>	<u>83,644</u>

5 Taxation**(a) Analysis of (credit)/charge in year****Current tax**

UK corporation tax on (loss) of the year	56	64
Adjustments in respect of previous years	2,879	(48,586)

Total current tax (note 5(b))	2,935	(48,522)
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Deferred tax**Origination and reversal of timing differences**

Tax on (loss) on ordinary activities	2,935	(48,522)
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(b) Factors affecting the tax charge for the year

(Loss) on ordinary activities before tax	(26,549)	(187,162)
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(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006-30%)

	(7,965)	(56,149)
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Effects of

Expenses not deductible for tax purposes	8,379	7,187
Depreciation for the year in excess of capital allowances	(469)	751
Tax losses arising / (utilised) in year	(160)	-
Carry back claim	-	48,211
Other taxes written off	-	64
Adjustments to tax charge in respect of previous years	2,879	(48,586)
Group relief	271	-

Current tax (credit)/charge for the year	2,935	(48,522)
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6 Dividends

Ordinary shares – declared and paid in the year	-	183,583
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SHOR plc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

	Short leasehold premises £	Fixtures fittings and equipment £	Total £
Cost			
At 1 January 2007	45,777	167,438	213,215
Additions	-	18,898	18,898
Disposals	(45,777)	(4,575)	(50,352)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	181,761	181,761
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2007	45,777	133,683	179,460
Charge for the year	-	16,377	16,377
Disposals	(45,777)	(4,575)	(50,352)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	145,485	145,485
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2007	-	36,276	36,276
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2006	-	33,755	33,755
	<hr/>	<hr/>	<hr/>

8. Work in progress

	2007 £	2006 £
At cost	-	13,469
	<hr/>	<hr/>

SHOR plc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors

	2007	2006
	£	£
Trade debtors	214,666	365,332
Amounts owed by group companies	297,518	426,625
Other debtors	18,400	5,131
Amounts recoverable on contracts	318,880	175,947
Prepayments and accrued income	37,815	25,529
	<u>887,279</u>	<u>998,564</u>

10 Creditors: amounts due within one year

	2007	2006
	£	£
Trade creditors	434,822	552,075
Corporation tax	81,541	109,325
Other taxes and social security	52,850	55,215
Other creditors	1,540	-
Accruals and deferred income	50,818	46,584
	<u>621,571</u>	<u>763,199</u>

11 Share capital

Authorised – ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid - ordinary shares of £1 each	52,500	52,500
	<u>52,500</u>	<u>52,500</u>

12 Reconciliation of shareholders' funds and movements on reserves

	Share Capital	Capital Redemption Reserve	Profit and loss account	Total share-holders' Funds
	£	£	£	£
At 1 January 2007	52,500	17,500	468,216	538,216
Loss for the year	-	-	(29,484)	(29,484)
	<u>52,500</u>	<u>17,500</u>	<u>438,732</u>	<u>508,732</u>
At 31 December 2007	52,500	17,500	438,732	508,732

SHOR plc**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2007****13. Notes to the cashflow statement****(a) Reconciliation of operating profit to net cashflow from operating activities**

	2007	2006
	£	£
Operating (loss)	(43,072)	(209,215)
Depreciation and amortisation	16,377	17,905
Loss on disposal of tangible fixed assets	-	1,292
Decrease/(increase) in work in progress	13,469	(13,469)
Decrease in debtors	111,285	675,728
(Decrease) in creditors	(113,844)	(1,368,843)
Net cash (outflow) from operating activities	(15,785)	(896,602)

(b) Reconciliation of net cash movement to net funds

(Decrease)	(48,879)	(1,064,220)
Net funds at 1 January 2007	255,627	1,319,847
Net funds at 31 December 2007	206,748	255,627

(c) Analysis of net funds

	At 1 January		Non-cash	At 31
	2007	Cash Flow	changes	December
	£	£	£	2007
	£	£	£	£
Cash at bank and in hand	255,627	(48,879)	-	206,748

14. Lease Commitments

At 31 December 2007 the company had operating lease commitments due within one year amounting to £2,082 (2006-£75,181)

The leases to which these amounts relate expire as follows

	2007	2006
	Leasehold	Leasehold
	rent	rent
	£	£
Within one year	2,082	-
Between one and two years	-	75,181

SHOR plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

15 Capital Commitments

At 31 December 2007 the company had no capital commitments (2006-£nil)

16 Contingent Liabilities

At 31 December 2007 and 2006 the company had no contingent liabilities

17. Transactions with related parties

During the year payments amounting to £8,000 (2006-£6,920) were made to Mrs S Bennett, the wife of RH Bennett, for services provided to the company

Under FRS 8 the company is exempt from disclosing transactions with group companies

There were no other related party transactions during the year

18 Controlling related party

The directors consider that the ultimate parent undertaking of this company and controlling related party is SAIA Group Limited. SAIA Group is the company's controlling related party by virtue of its direct influence to control the financial and operating policies of Shor plc.

The largest and smallest group of undertakings for which group accounts will be drawn up is that headed by SAIA Group Limited