

Registered Number 4211637

Northwestern Shiprepairers and Shipbuilders Limited
Annual report and financial statements
for the year ended 31 May 2007

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Northwestern Shiprepairers and Shipbuilders Limited

Annual report and financial statements for the year ended 31 May 2007

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Northwestern Shiprepairers and Shipbuilders Limited

Directors and advisors for the year ended 31 May 2007

Directors

J R Syvret
J Kennedy
M J Moran
P A Jones – resigned 01 06 07
A Simpson – appointed 01 06 07
D Green – appointed 01 06 07

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 2007

The directors present their report and the audited financial statements of the company ("NSL") for the year ended 31 May 2007

Principal activities

The principal activity of the company during the year was ship repair

Review of business and future developments

This financial year has seen further substantial growth with operating profit (excluding costs associated with a legal dispute of £1,719,000) of £4,153,000. Turnover has risen from £18,791,000 in 2006 to £41,739,000 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 owner in the Ship Repair, Conversion and Military market place.

The company's profit for the financial year before taxation is £2,609,000 (2006 £1,471,000). The company's profit after taxation is £1,642,000 (2006 £1,277,000). Dividends recognised as an expense during the year amounted to £958,000 which excludes proposed dividends that have yet to be approved by the balance sheet date. The directors recommend the payment of a dividend of £2,179,000. The retained profit for the financial year of £1,642,000 will be transferred to reserves.

Highlights of the year were the successful completion of "Bibby Sapphire", a very technically demanding offshore conversion for "Bibby Group" and the refit of RFA Bayleaf in Singapore, demonstrating the company's "Global Reach" capability.

As a result of the company's growth in turnover, we have invested in key personnel and improved IT and Management systems in order that we are well positioned to manage the current and future business successfully.

Key Performance Indicators:

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

	2007	2006
	£'000	£'000
Turnover	41,739	18,791
Gross Profit %	8,131	4,977
Operating Profit (Excluding Legal Costs) %	4,154	1,510

Future Trading

NSL made a stepped growth increase in 2006/7 due to the reasons identified above. This increased level of trading has continued in 2007/8 with turnover expected to increase. This is confirmed by committed sales to date, and firm orders in hand. NSL is continuing to focus on developing the off-shore market, whilst improving the service it provides to the local repair market. In addition, the ongoing support that NSL has provided to the MoD RFA with its 'Cluster' philosophy, has now been rewarded with "preferred bidder" status on future Through Life Contracts.

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report (continued)

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, therefore the Company has been recruiting from overseas and is currently recruiting apprentices.

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 future contracts accounting for inflation increases annually.

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 & Safety and Security plans.

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

Health & 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 & 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.

Northwestern Shiprepairers and Shipbuilders Limited

Directors' report (continued)

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 and GMBU. In addition NSL is working with Liverpool Chamber of Commerce and Laird Foundation 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 2007	31 May 2006
J R Syvret	10,134	9,600
J Kennedy	1,583	1,500
M J Moran	1,583	1,500
P A Jones	-	-

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 the 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 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.

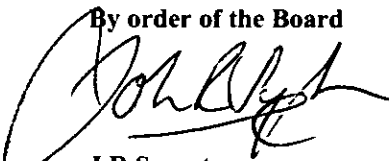
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records 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 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.

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
10th April 2008

Northwestern Shiprepairers and Shipbuilders Limited

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

We have audited the financial statements of Northwestern Shiprepairers and Shipbuilders Limited for the year ended 31 May 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the statement of 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 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 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.

Northwestern Shiprepairers and Shipbuilders Limited

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 May 2007 and of its 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

11 April 2008

Northwestern Shiprepairers and Shipbuilders Limited

Profit and loss account for the year ended 31 May 2007

	Note	2007 £'000	2007 £'000	2007 £'000	2006 £'000	2006 £'000	2006 £'000
		Before exceptional items	Exceptional items (note 5)	Total	Before exceptional item	Exceptional items (note 5)	Total
Turnover	1	41,739	-	41,739	18,791	-	18,791
Cost of sales		(33,608)	-	(33,608)	(13,814)	-	(13,814)
Gross profit		8,131	-	8,131	4,977	-	4,977
Administrative expenses	2, 5	(3,978)	(1,719)	(5,697)	(3,467)	(120)	(3,587)
Operating profit		4,153	(1,719)	2,434	1,510	(120)	1,390
Interest receivable	6	175	-	175	81	-	81
Profit on ordinary activities before taxation	2	4,328	(1,719)	2,609	1,591	(120)	1,471
Tax charge on profit on ordinary activities	7	(1,441)	474	(967)	(309)	36	(273)
Profit for the financial year	18	2,887	(1,245)	1,642	1,282	(84)	1,198

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 2007 or 2006

Note of historical cost profits and losses

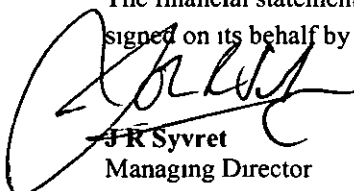
	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	2,609	1,471
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	37	37
Historical cost profit on ordinary activities before taxation	2,646	1,508
Historical cost profit for the year after taxation	1,679	1,235

Northwestern Shiprepairers and Shipbuilders Limited

Balance sheet as at 31 May 2007

	Note	2007	2006
		£'000	£'000
Fixed assets			
Tangible assets	10	667	641
Current assets			
Stocks	11	968	298
Debtors	12	4,666	2,590
Cash at bank and in hand		5,151	3,477
		10,785	6,365
Creditors: amounts falling due within one year	13	(8,000)	(4,238)
Net current assets		2,785	2,127
Net assets		3,452	2,768
Capital and reserves			
Called up share capital	15	-	-
Share premium	16	450	450
Revaluation reserve	16	-	183
Profit and loss account	16	3,002	2,135
Total shareholders' funds	18	3,452	2,768

The financial statements on pages 8 to 21 were approved by the board of directors 11 April 2008 and were signed on its behalf by


J R Syvret
 Managing Director

Northwestern Shiprepairers and Shipbuilders Limited

Cash flow statement for the year ended 31 May 2007

	2007 £'000	2006 £'000
Cash flow statement		
Net cash inflow from operating activities	2,735	1,945
Returns on investments and servicing of finance		
- Interest received	175	81
Net cash inflow from returns on investments and servicing of finance	175	81
Taxation	(82)	(407)
Capital expenditure		
Purchase of tangible fixed assets	(196)	(100)
Disposal of tangible fixed assets	-	6
Net cash outflow for capital expenditure	(196)	(94)
Equity dividends paid	(958)	(641)
Increase in cash	1,674	884
Reconciliation to net cash		
Net cash at 1 June	3,477	2,593
Increase in net cash	1,674	884
Net cash at 31 May	5,151	3,477

Reconciliation of operating profit to cash inflow from operating activities

Operating profit	2,434	1,390
Depreciation charges	170	167
(Increase) / decrease in stocks	(670)	420
(Increase) / decrease in debtors	(2,164)	149
Increase / (decrease) in creditors	2,965	(181)
Net cash inflow from operating activities	2,735	1,945

Northwestern Shiprepairers and Shipbuilders Limited

Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable accounting standards. A summary of the principal accounting policies that have been consistently applied (except as detailed below) has been set out below.

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 or at valuation, 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.

Certain tangible fixed assets are included at director's valuation. External valuations are to be carried out every five years and interim valuations are to be carried out in the third year following an external valuation.

Depreciation

Depreciation is calculated to write-off original cost or valuation, 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

Consolidation

The company has taken the exemption from the need to prepare consolidated financial statements in accordance with section 248 of the Companies Act 1985

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 2007

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

	2007	2006
	£'000	£'000
Wages	7,627	6,313
Social security costs	821	674
Staff Costs	8,448	6,987
Depreciation for the year – owned assets	170	167
Operating leases – other	779	446
Machinery and equipment hire	787	686
Auditors' remuneration:		
Auditors remuneration – audit fees	35	20
Other fees payable to the auditors – taxation services	5	5

3 Directors' emoluments

	2007	2006
	£'000	£'000
Remuneration	205	199

	2007	2006
	£'000	£'000
Highest paid director		
Aggregate emoluments	94	91

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

	2007	2006
	No.	No
Operations	242	206
Administration	12	10
	254	216

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 of £1,719,000(2006: 120,000) have been treated as exceptional in the year.

6 Net interest receivable

	2007	2006
	£'000	£'000
Interest receivable on short-term deposits and other investments	175	81

Northwestern Shiprepairers and Shipbuilders Limited

7 Taxation

	2007 £'000	2006 £'000
Current tax:		
UK corporation tax on profits of the period	934	458
Adjustment in respect of previous periods	(55)	(10)
Total current tax charge	879	448
Deferred tax:		
Origination and reversal of timing differences	(97)	(176)
Adjustments in respect of previous periods	185	1
Total deferred tax charge/(credit)(note 14)	88	(175)
Tax on profit on ordinary activities	967	273

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

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	2,609	1,471
Profit on ordinary activities, multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	783	441
Effects of		
Expenses not deductible for tax purposes	54	14
Accelerated capital allowances / other timing differences	97	3
Adjustments in respect of prior periods	(55)	(10)
Current tax charge for the year	879	448

Northwestern Shiprepairers and Shipbuilders Limited

8 Dividends

	2007 £'000	2006 £'000
Equity - Ordinary		
Dividends paid £31 86 (2006 £21 32) per 1p share	958	641

The directors have recommended total dividends of £2,179,000 (£65 37 per share)

9 Fixed asset investments

	2007 £'000	2006 £'000
1 June 2006		
Additions in year	-	100
Provision for diminution in value	-	(100)
At 31 May 2007	-	-

The company had the following investments at 31 May 2006 and 31 May 2007

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

The above undertakings are registered in England and Wales

Northwestern Shiprepairers and Shipbuilders Limited

10 Tangible assets

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 June 2006	442	600	81	114	1,237
Additions	61	112	22	1	196
Disposals	-	-	-	-	-
At 31 May 2007	503	712	103	115	1,433
Accumulated depreciation					
At 1 June 2006	254	227	65	50	596
Charge for the year	70	62	7	31	170
Eliminated on disposal	-	-	-	-	-
At 31 May 2007	324	289	72	81	766
Net book value					
At 31 May 2007	179	423	31	34	667
At 31 May 2006	188	373	16	64	641

In prior years the company has revalued items of plant and machinery, these assets have subsequently been disposed. During the year the Directors have reviewed the valuation of plant and equipment and concluded that the difference between the book value and their valuation is immaterial. Accordingly, in the future the directors are to include all fixed assets at cost less depreciation.

At 31 May 2007 (2006 £nil) there were no capital commitments contracted but not provided for in the accounts.

11 Stocks

	2007	2006
	£'000	£'000
Raw materials and consumables	32	32
Work in progress	936	266
Total stocks	968	298

Northwestern Shiprepairers and Shipbuilders Limited

12 Debtors

	2007	2006
	£'000	£'000
Amounts falling due within one year		
Trade debtors	2,986	1,404
Amounts owed by group undertakings	576	413
Amounts owed by related party	155	258
Prepayments and accrued income	416	256
Other debtors	-	91
Other taxation and social security	453	-
Deferred taxation (see note 14)	80	168
Total debtors	4,666	2,590

13 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Trade creditors	5,989	2,658
Amounts owed to related party	78	55
Corporation tax	1,238	441
Other taxation and social security payable	325	362
Accruals and deferred income	370	722
Total creditors falling due within one year	8,000	4,238

Northwestern Shiprepairers and Shipbuilders Limited

14 Deferred taxation

	2007 £'000	2006 £'000
At 1 June	168	(34)
Transferred on acquisition	-	27
(Charged)/credited to profit and loss account	(88)	175
At 31 May (see note 12)	80	168
The balance relates to		
Accelerated capital allowances	(21)	(5)
Short term timing differences	101	-
Losses	-	173
Total deferred tax asset	80	168

15 Called-up share capital

	2007 £	2006 £
Authorised:		
16,700 ordinary A shares of 1 penny each	167	167
16,700 ordinary B shares of 1 penny each	167	167
Allotted, called-up and fully paid:		
16,700 ordinary A shares of 1 penny each	167	167
16,700 ordinary B shares of 1 penny each	167	167
Total	334	334

Northwestern Shiprepairers and Shipbuilders Limited

15 Share capital (continued)

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

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

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

16 Reserves

	Share premium account	Revaluation reserve	Profit and loss account
	£'000	£'000	£'000
At 1 June 2006	450	183	2,135
Realised during the year	-	(183)	183
Dividends paid in the year	-	-	(958)
Retained profit for the financial year (note 18)	-	-	1,642
At 31 May 2007	450	-	3,002

17 Financial commitments

At 31 May 2007 the company had annual commitments under operating leases expiring as follows

	2007	2006
	£'000	£'000
Land and buildings		
Within 2 – 5 years	740	625
	740	625

Northwestern Shiprepairers and Shipbuilders Limited

18 Reconciliation in equity shareholders funds

	2007 £'000	2006 £'000
Profit for the year	1,642	1,198
Dividends paid	(958)	(641)
Retained profit for the financial year	684	557
Equity shareholders' funds at 1 June	2,768	2,211
Equity shareholders' funds at 31 May	3,452	2,768

19 Analysis of net cash

	At 1 June 2006 £'000	Cash flow £'000	At 31 May 2007 £'000
Cash in hand and at bank	3,477	1,674	5,151

22 Related Party Transactions

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

	2007 £'000	2006 £'000
Purchases from Mersey Docks (excluding VAT)	484	537
Sales to Mersey Docks (excluding VAT)	882	1,975
Debtor 31 May Mersey Docks	155	258
Creditor 31 May Mersey Docks	78	55