Registered Number 4211637

Cammell Laird Shiprepairers and Shipbuilders Limited (Previously Northwestern Shiprepairers and Shipbuilders Ltd)

Annual report and financial statements for the year ended 31 May 2009

Northwestern Shiprepairers and Shipbuilders Limited

Annual report and financial statements for the year ended 31 May 2009

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Cammell Laird Shiprepairers and Shipbuilders Limited: Reg 4211637

Directors and advisors for the year ended 31 May 2009

Directors
J R Syvret
J Kennedy
M J Moran
A Simpson
A Barr – appointed 29 July 2008
S Baxter – appointed 29 July 2008

Secretary
J R Syvret

Registered Office
Cammell Laird Shipyard
Campbeltown Road
Birkenhead
Merseyside
CH41 9BP

Statutory auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
8 Princes Parade
St Nicholas Place
Liverpool
L3 1QJ

Bankers
Barclays
Manchester City Office
Manchester
M60 2AU

Cammell Laird Shiprepairers and Shipbuilders Limited: Reg 4211637

Directors' report for the year ended 31 May 2009

The directors present their report and the audited financial statements of the Company for the year ended 31 May 2009.

Principal activities

The principal activity of the company during the year was the provision of marine services to ship owners and operators.

Review of business and future developments

This financial year has seen further substantial growth with turnover rising from £53,445,000 in 2008 to £90,816,000 this year. This has been achieved as a direct result of the company's growing reputation for delivering a cost effective quality service to the ship owners and operators in the ship repair, conversion and military market place.

Highlights of the year were the successful completion of the major refits of Royal Fleet Auxiliary (RFA) Fort Rosalie, Fort George, Gold Rover and Bayleaf. At the end of the financial year the extensive refit programmes on the RFA Fort Victoria were in progress. Within the commercial market, successful major contracts were completed with Bibby Line Limited on the Bibby Sapphire and the conversion of Atalantic Osprey for James Fisher Shipping, with further growth generally in the sector.

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

As a result of the Company's growth in turnover, we have continued to invest in key personnel and improved IT and management systems in order that we are well positioned to manage the current and future business successfully. The Company is currently negotiating increased infrastructure at the Birkenhead yard (namely, long term availability of one of Europe's largest undercover module construction facilities). When, and if, successful, the Company will enter the heavy engineering sector and will target bespoke offshore, marine, and energy/renewable energy markets. With the company's highly skilled range of engineers, it is expected that these trades personnel will be able to migrate across the varying business sectors providing stability whilst de-risking core activities and markets. The Company is also pleased to announce that it has signed a contract for Ship 1 of the new Queen Elizabeth Class Aircraft Carriers, the value being c£50m over 3 years period.

Dividends

Dividends paid during the year amounted to £3,264,000. This excludes proposed dividends that have yet to be approved by the balance sheet date of £5,084,100.

Key Performance Indicators:

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

	2009	2008
	£'000	£'000
Turnover	**90,816**	53,445
Man-hours sold	**964,781**	517,544
Supply Chain Purchases	**44,653**	33,344

Directors' report (continued)

Future Trading

Cammell Laird achieved substantial sales growth of 70% in 2008/9 due to the reasons explained previously. This increased level of trading has been maintained in 2009/10 with turnover expected to stabilise at this level. This is underpinned by committed sales to date, and firm orders in hand. The Company has changed its name to Cammell Laird Shiprepairers and Shipbuilders Limited, which is hoped will raise the profile in the International off-shore and modular construction markets. With the new "Through Life Support Contracts" in place with the MoD RFA, the Company is focused on meeting its new key performance indicators in addition to delivering value for money projects, on time and to the highest quality. This will include the expansion of the technical services department, in addition to providing around the clock support for vessels in fleet time, worldwide.

Principal Business Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

Personnel: There is both a local and national shortage of 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 workforces are at near retirement age and it is becoming increasingly difficult to replace them with people of similar experience and qualifications. The Company has therefore established an apprentice training scheme at the adjacent Maritime & Engineering College North West and intends to train sufficient numbers of apprentices to meet its committed commercial obligations and future business aspirations.

Credit risk: For larger value projects the Company negotiates stage payments to neutralise cash flow. For medium size projects the Company 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, the Company negotiates prices on a contract by contract basis, and as such continually monitors and reflects changes in labour and material prices. For MoD contracts, prices are agreed on a contract by contract basis with prices subject to annual inflation adjustments.

Liquidity risk: The Company does not have any commercial borrowings and only enters into major contracts which have at least cash neutral payment terms. These are based on agreed payment plans for significant contracts. The Company 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, the Company is largely protected from movements of interest rates.

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

Market: The Company operates in a competitive market place with nearly all its contracts awarded after commercial tender. The requirements of the tender include price but are also based on management structure, risk management, health and safety and security plans.

Directors' report (continued)

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 and Safety: The Company remains totally committed to the health and safety of all employees, contractors and visitors and to date has an excellent record in respect of reportable incidents. Our employee liability insurance supplier has assisted the Company with independent advice to identify potential areas of concern in relation to health and safety and facilities to enable the development of mitigating actions.

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

The Company is committed to working with employees for the benefits of both the company and its workers and to this extent enjoys a partnership with Amicus/Unite and GMBU. In addition the Company is working with Liverpool Chamber of Commerce and Mersey Maritime to improve employee skill levels.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company as a whole.

Directors

The directors who held office during the year are disclosed on page 1.

The interests of the directors of the company in the shares of the company were:

	Interests in ordinary A shares of 1 pence each	
	31 May 2009	31 May 2008
J R Syvret	**10,134**	10,134
J Kennedy	**1,583**	1,583
M J Moran	**1,583**	1,583

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group 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 accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) 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.

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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
Chief Executive Officer
7 January 2010

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

We have audited the financial statements of Cammell Laird Shiprepairers and Shipbuilders Limited for the year ended 31 August 2009 which comprise The Profit and Loss Account and The Group and Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors responsibilities on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

N Gower

Nicholas Gower
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Liverpool
7 January 2010

Cammell Laird Shiprepairers and Shipbuilders Limited: Reg 4211637

Consolidated Profit and Loss Account for the year ended 31 May 2009

	Note	2009 £'000	2008 £'000
Turnover	1	**90,816**	53,445
Cost of sales		**(75,509)**	(42,619)
Gross profit		**15,307**	10,826
Administrative expenses		**(6,080)**	(4,905)
Operating profit		**9,227**	5,921
Interest receivable	5	**189**	330
Profit on ordinary activities before taxation	2	**9,416**	6,251
Tax charge on profit on ordinary activities	6	**(2,654)**	(1,883)
Profit for the financial year	15	**6,762**	4,368

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 2009 or 2008.

Cammell Laird Shiprepairers and Shipbuilders Limited: Reg 4211637

Consolidated Balance Sheet as at 31 May 2009

	Note	2009	2008
		£'000	£'000
Fixed assets			
Tangible assets	9	**1,198**	851
Current assets			
Stocks	10	**7,854**	32
Debtors	11	**6,034**	7,689
Cash at bank and in hand		**11,365**	11,989
		25,253	19,710
Creditors: amounts falling due within one year	12	**(17,312)**	(14,920)
Net current assets		**7,941**	4,790
Net assets		**9,139**	5,641
Capital and reserves			
Called up share capital	14	-	-
Share premium	15	**450**	450
Profit and loss account	15	**8,689**	5,191
Total shareholders' funds	17	**9,139**	5,641

The financial statements on pages 9 to 22 were approved by the board of directors on 7 January 2010 and were signed on its behalf by:

J R Syvret

Chief Executive Officer

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Company Balance Sheet as at 31 May 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	**1,185**	828
Current assets			
Stocks	10	**7,854**	32
Debtors	11	**6,405**	7,649
Cash at bank and in hand		**10,939**	11,962
		25,198	19,643
Creditors: amounts falling due within one year	12	**(17,244)**	(14,836)
Net current assets		**7,954**	4,807
Net assets		**9,139**	5,635
Capital and reserves			
Called up share capital	14	-	-
Share premium	15	**450**	450
Profit and loss account	15	**8,689**	5,185
Total shareholders' funds	17	**9,139**	5,635

The financial statements on pages 9 to 22 were approved by the board of directors on 7 January 2010 and were signed on its behalf by:

J R Syvret
Chief Executive Officer

Cammell Laird Shiprepairers and Shipbuilders Limited: Reg 4211637

Consolidated Cash Flow Statement for the year ended 31 May 2009

	2009 £'000	2008 £'000
Cash flow statement		
Net cash inflow from operating activities	**4,093**	8,796
Returns on investments and servicing of finance		
Interest received	**189**	330
Net cash inflow from returns on investments and servicing of finance	**189**	330
Taxation	**(1,085)**	(138)
Capital expenditure		
Purchase of tangible fixed assets	**(557)**	(397)
Net cash outflow for capital expenditure	**(557)**	(397)
Equity dividends paid	**(3,264)**	(2,179)
(Decrease)/increase in cash	**(624)**	6,412
Reconciliation to net cash		
Net cash at 1 June	**11,989**	5,577
Increase in net cash	**(624)**	6,412
Net cash at 31 May	**11,365**	11,989

Reconciliation of operating profit to cash inflow from operating activities

	2009 £'000	2008 £'000
Operating profit	**9,227**	5,921
Depreciation charges	**210**	213
(Increase) /decrease in stocks	**(7,820)**	936
Decrease/(increase) in debtors	**1,691**	(3,432)
Increase in creditors	**785**	5,158
Net cash inflow from operating activities	**4,093**	8,796

Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. A summary of the principal accounting policies that have been consistently applied has been set out below.

Basis of consolidation
The consolidated Financial Statements include those of the Company and all of its subsidiaries. The results of businesses acquired or disposed of are accounted for from or to the effective date of acquisition or disposal.

Turnover
Turnover represents income earned from ship repair and conversion provided to third parties, excluding VAT and completed prior to the year end. Turnover also includes the proportion of the sales value of long-term contracts based on their state of completion at the balance sheet date. Turnover and profit is recognised on long term contracts as the project progresses, on short term contracts revenue is recognised when the contract is completed. Long term is deemed to be of greater than 60 days duration. The stage of progress complete is based on the jointly compiled and agreed monitoring reports between Cammell Laird and the customer.

Tangible fixed assets
Tangible fixed assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation
Depreciation is calculated to write-off original cost less the expected residual value of the assets, over their estimated useful lives on a straight line basis.
The economic lives of the various assets are considered to be:

	Years
Plant and equipment	3 – 20
Leasehold improvements	3 – 20
Fixtures and fittings	3 – 5
Motor vehicles	5

Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value on a first in first out basis. Cost includes all direct expenditure and appropriate overhead expenditure incurred in bringing goods to their current state under normal operating conditions. Net realisable value is based on anticipated selling price less the cost of selling such goods. Profit on long-term contracts, principally in relation to the repair of ships, is recognised once the project's outcome can be assessed with 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.

Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences between the company's taxable profits and its accounting profits arising from gains and losses in the tax assessments in periods different from those which they are recognised in the financial statements. The deferred tax assets and liabilities are not discounted.

Related Party Transactions

The company has taken advantage of the exemption allowed under FRS 8, "Related Party Disclosures", not to disclose related party transactions with members of the group.

Notes to the financial statements for the year ended 31 May 2009

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:

	2009 £'000	2008 £'000
Wages	**15,841**	10,456
Social security costs	**1,582**	1,098
Staff costs	**17,423**	11,554
Depreciation for the year – owned assets	**210**	213
Operating leases – other	**1,073**	824
Machinery and equipment hire	**2,015**	1,514
Auditors' remuneration:		
Auditors remuneration – audit fees	**40**	30
Other fees payable to the auditors – taxation services	**5**	5

3 Directors' emoluments

	2009 £'000	2008 £'000
Remuneration	**271**	320
Highest paid director (aggregate emoluments)	**137**	151

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

4 Employee information

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

	2009 No.	2008 No.
Operations	**456**	305
Administration	**25**	18
	481	323

5 Net interest receivable

	2009 £'000	2008 £'000
Interest receivable on short-term deposits and other investments	**189**	330

6 Taxation

	2009 £'000	2008 £'000
Current tax:		
UK corporation tax on profits of the period	**2,647**	1,866
Adjustment in respect of previous periods	**(20)**	-
Total current tax charge	**2,627**	1,866
Deferred tax:		
Origination and reversal of timing differences	**72**	12
Adjustments in respect of previous periods	**(45)**	5
Total deferred tax charge (note 13)	**27**	17
Tax on profit on ordinary activities	**2,654**	1,883

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

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	**9,416**	6,251
Profit on ordinary activities, multiplied by standard rate of corporation tax in the UK of 28% (2008:29.67%)	**2,637**	1,855
Effects of:		
Expenses not deductible for tax purposes	**35**	23
Accelerated capital allowances / other timing differences	**(25)**	(12)
Adjustments in respect of prior periods	**(20)**	-
Current tax charge for the year	**2,627**	1,866

7 Dividends

	2009	2008
	£'000	£'000
Equity - Ordinary		
Dividends paid £97.92 (2008: £65.24) per 1p share	**3,264**	2,179

The directors have recommended total dividends of £5,084,100 (£152.52 per share).

8 Fixed asset investments

The company had the following investments at 31 May 2009:

Name of investment	Class of share capital held	Proportion held	Nature of business
Scott Lithgow Ltd	Ordinary	100%	Ship repair and marine engineering
Birkenhead Shiprepair Yard Ltd	Ordinary	100%	Ship repair and marine engineering
Neway Industrial and Environmental Services Limited	Ordinary	100%	Industrial Cleaning

The above undertakings are registered in England and Wales.

9 Tangible assets

a) Group

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2008	698	890	104	136	1,828
Additions	218	197	110	31	556
At 31 May 2009	**916**	**1,087**	**214**	**167**	**2,384**
Accumulated depreciation					
At 1 June 2008	(424)	(375)	(78)	(98)	(976)
Charge for the year	(74)	(76)	(36)	(24)	(210)
At 31 May 2009	**(498)**	**(451)**	**(114)**	**(122)**	**(1,186)**
Net book value					
At 31 May 2009	**418**	**636**	**100**	**45**	**1,198**
At 31 May 2008	273	515	25	38	851

b) Company

	Plant and equipment	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2008	673	890	104	136	1,803
Additions	218	197	110	31	556
At 31 May 2009	**891**	**1,087**	**214**	**167**	**2,359**
Accumulated depreciation					
At 1 June 2008	(424)	(375)	(78)	(98)	(975)
Charge for the year	(63)	(76)	(36)	(24)	(199)
At 31 May 2009	**(487)**	**(451)**	**(114)**	**(122)**	**(1,174)**
Net book value					
At 31 May 2009	**404**	**636**	**100**	**45**	**1,185**
At 31 May 2008	249	515	26	38	828

At 31 May 2009 (2008: £nil) there were no capital commitments contracted but not provided for in the accounts.

10 Stock

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**33**	32	**33**	32
Work in progress	**7,821**	-	**7,821**	-
Total stocks	**7,854**	32	**7,854**	32

11 Debtors

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Trade debtors	**5,042**	4,313	**4,952**	4,118
Amounts owed by related party	**167**	178	**167**	178
Prepayments and accrued income	**173**	2,708	**174**	2,708
Inter Company debtors	**-**	-	**307**	155
Other taxation and social security	**616**	427	**769**	427
Deferred taxation (see note 13)	**36**	63	**36**	63
Total debtors	**6,034**	7,689	**6,405**	7,649

12 Creditors: amounts falling due within one year

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Trade creditors	**8,773**	6,121	**8,757**	6,039
Amounts owed to related party	**44**	45	**44**	45
Corporation tax	**4,535**	2,966	**4,535**	2,964
Inter Company Creditors	**-**	-	**96**	-
Other taxation and social security payable	**1,484**	354	**1,351**	354
Accruals and deferred income	**2,476**	5,434	**2,461**	5,434
Total creditors falling due within one year	**17,312**	14,920	**17,244**	14,836

13 Deferred taxation

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
At 1 June	**63**	80	**63**	80
Charged to profit and loss account	**(27)**	(17)	**(27)**	(17)
At 31 May (see note 11)	**36**	63	**36**	63
The balance relates to:				
Accelerated capital allowances	**(44)**	(24)	**(44)**	(24)
Short term timing differences	**80**	87	**80**	87
Total deferred tax asset	**36**	63	**36**	63

14 Called-up share capital

	Group		Company	
	2009	2008	**2009**	2008
	£	£	**£**	£
Authorised:				
16,700 ordinary A shares of 1 penny each	**167**	167	**167**	167
16,700 ordinary B shares of 1 penny each	**167**	167	**167**	167
Allotted, called-up and fully paid:				
16,700 ordinary A shares of 1 penny each	**167**	167	**167**	167
16,700 ordinary B shares of 1 penny each	**167**	167	**167**	167
Total	**334**	334	**334**	334

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

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

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

15 Reserves

Group	Share premium account	Profit and loss account
	£'000	£'000
At 1 June 2008	450	5,191
Dividends paid in the year	-	(3,264)
Retained profit for the financial year	-	6,762
At 31 May 2009	**450**	**8,689**

Company	Share premium account	Profit and loss account
	£'000	£'000
At 1 June 2008	450	5,185
Dividends paid in the year	-	(3,264)
Retained profit for the financial year	-	6,768
At 31 May 2009	**450**	**8,689**

16 Financial commitments

At 31 May 2009 the company had annual commitments under operating leases expiring as follows:

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Land and buildings				
Within 2 – 5 years	**1,073**	920	**1,073**	740
	1,073	920	**1,073**	740

17 Reconciliation in equity shareholders funds

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Profit for the year	**6,762**	4,368	**6,768**	4,362
Dividends paid	**(3,264)**	(2,179)	**(3,264)**	(2,179)
Retained profit for the financial year	**3,498**	2,189	**3,504**	2,183
Equity shareholders' funds at 1 June	**5,641**	3,452	**5,635**	3,452
Equity shareholders' funds at 31 May	**9,139**	5,641	**9,139**	5,635

18 Analysis of net cash

	At 1 June	Cash flow	**At 31 May**
	2008		**2009**
	£'000	£'000	**£'000**
Cash in hand and at bank	**11,989**	(624)	**11,365**

19 Related Party Transactions

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

	Group		Company	
	2009 **£'000**	2008 £'000	**2009** **£'000**	2008 £'000
Purchases from Mersey Docks (excluding VAT)	**570**	367	**570**	367
Sales to Mersey Docks (excluding VAT)	**910**	609	**910**	609
Debtor 31 May Mersey Docks	**167**	178	**167**	178
Creditor 31 May Mersey Docks	**44**	45	**44**	45