

Marine Safety Services Limited

Directors' report and financial statements

31 December 1994

Registered number 261614



Marine Safety Services Limited

Directors' report and financial statements

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Marine Safety Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The company provides professional consultancy services to the shipping industry in the field of marine safety.

Business review

The results of the company are set out on page 4. The result for the year is satisfactory considering difficult trading conditions. The directors anticipate that there will be an improvement in the performance of the company during the forthcoming year.

Dividends

A dividend of £93,000 (1993: £70,000) was paid during the year. The retained profit for the year is £22,052 (1993: £22,302).

Directors and directors' interests

The directors who held office during the year were as follows:

GB Standring	(Chairman)
MR Vincent	
CJ Winkley	

None of the directors who held office at the end of the financial year had any beneficial interest in the shares of the company nor of any other subsidiary of The Peninsular and Oriental Steam Navigation Company.

The directors who held office at the end of the financial year had the following interests in the deferred stock of The Peninsular and Oriental Steam Navigation Company at the beginning and end of the year:

	31 December 1994	31 December 1993
GB Standring	1,550	1,246
MR Vincent	8,352	7,823
CJ Winkley	1,945	1,725

The following deferred stock options were exercised during the year:

MR Vincent	341
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The above deferred stock options were exercised under a SAYE scheme.

No director had any material interest in any significant contract with the company during the year.

Marine Safety Services Limited

Directors' report *(continued)*

Fixed assets

Movements on fixed asset accounts are set out in note 7 to the accounts.

Insurance of officers

Insurance for the directors and officers of the company is maintained by the ultimate parent company.

Statement of directors' responsibilities

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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Derek Scott
Secretary

12-20 Camomile Street
London EC3A 7AS

22 May 1995



PO Box 695
8 Salisbury Square
London EC4Y 8BB

Report of the auditors to the members of Marine Safety Services Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

~~KPMG~~

Chartered Accountants
Registered Auditors

22 May

1995

Marine Safety Services Limited

Profit and loss account

for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	2	803,197	751,146
Cost of sales		(430,490)	(400,302)
Gross profit		372,707	350,844
Administrative expenses		(232,763)	(235,126)
Interest receivable		26,657	27,003
Profit on ordinary activities before taxation	3	166,601	142,721
Tax on profit on ordinary activities	6	(51,549)	(50,419)
Profit on ordinary activities after taxation		115,052	92,302
Dividends paid and proposed		(93,000)	(70,000)
Retained profit for the financial year		22,052	22,302
Accumulated profit brought forward		208,846	186,544
Accumulated profit carried forward		230,898	208,846

There is no difference between the result as disclosed above and the result on an unmodified historical cost basis. A statement of recognised gains and losses has not been prepared as all recognised gains and losses are included within the above profit and loss account.

No operations were acquired or discontinued during the year.

The notes on pages 6 - 10 form part of the audited financial statements.

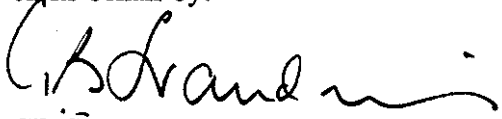
Marine Safety Services Limited

Balance sheet
at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	7		10,169		10,293
Current assets					
Stocks	8		7,550		13,355
Debtors	9		151,830		133,185
Cash at bank and in hand			410,923		420,155
			<u>570,303</u>		<u>566,695</u>
Creditors: amounts falling due within one year	10		<u>(98,574)</u>		<u>(117,142)</u>
Net current assets			<u>471,729</u>		<u>449,553</u>
Total assets less current liabilities			<u>481,898</u>		<u>459,846</u>
Creditors: amounts falling due after more than one year	11		<u>(250,000)</u>		<u>(250,000)</u>
Net assets			<u>231,898</u>		<u>209,846</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account			230,898		208,846
			<u>231,898</u>		<u>209,846</u>

The movement in shareholder's funds relates entirely to the retained profit for the financial year.

These financial statements were approved by the board of directors on 22 May 1995 and were signed on its behalf by:


GB Standing
Director

The notes on pages 6 - 10 form part of the audited financial statements.

Marine Safety Services Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets

Fixed assets are depreciated over their useful economic lives of between three and four years.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Turnover

Turnover represents the value of contract work completed during the year, excluding value added tax.

Short term work in progress

Short term contract work in progress is valued at the lower of cost including an appropriate element of overheads and net realisable value.

Cash flow statements

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

2 Analysis of turnover

	1994 Turnover £	1993 Turnover £
United Kingdom	127,867	73,673
Continental Europe	68,293	83,085
Australasia, Far East and Pacific	299,684	273,024
United States of America and Canada	235,281	213,768
Other	72,072	107,596
	<hr/> 803,197 <hr/>	<hr/> 751,146 <hr/>

Marine Safety Services Limited

Notes (continued)

3 Profit on ordinary activities before taxation

	1994	1993
	£	£

*Profit on ordinary activities before
taxation is stated after charging*

Auditors remuneration:

Audit	1,474	1,560
Other	350	300
Depreciation	5,581	5,328
Exchange loss	2,982	547
	<u> </u>	<u> </u>

4 Remuneration of directors

No director received any emoluments in respect of services to the company during this or the previous year.

5 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Shore staff employed in the U.K.	<u>19</u>	<u>18</u>

The aggregate payroll costs of these persons was as follows:

	1994	1993
	£	£
Wages and salaries	425,754	394,800
Social security costs	14,862	16,837
Other pension costs	9,338	7,993
	<u>449,954</u>	<u>419,630</u>

Marine Safety Services Limited

Notes (continued)

6 Taxation

	1994 £	1993 £
UK corporation tax at 33% (1993:33%) on the profit for the year on ordinary activities	52,362	50,419
Adjustment relating to an earlier year	(813)	-
	<u>51,549</u>	<u>50,419</u>

7 Tangible fixed assets

	Motor vehicles £	Plant and machinery £	Total £
<i>Cost</i>			
At beginning of year	16,863	3,333	20,196
Additions	-	5,457	5,457
	<u>16,863</u>	<u>8,790</u>	<u>25,653</u>
<i>At end of year</i>			
<i>Depreciation and diminution in value</i>			
At beginning of year	7,020	2,883	9,903
Charge for year	4,212	1,369	5,581
	<u>11,232</u>	<u>4,252</u>	<u>15,484</u>
<i>At end of year</i>			
<i>Net book value</i>			
At 31 December 1994	<u>5,631</u>	<u>4,538</u>	<u>10,169</u>
At 31 December 1993	<u>9,843</u>	<u>450</u>	<u>10,293</u>

Marine Safety Services Limited

Notes (continued)

8 Stocks

	1994 £	1993 £
Work in progress	<u>7,550</u>	<u>13,355</u>

9 Debtors

	1994 £	1993 £
Trade debtors	138,829	111,668
Amounts owed by parent and fellow subsidiary undertakings	1,716	9,661
Other debtors	7,793	8,106
Prepayments and accrued income	<u>3,492</u>	<u>3,750</u>
	<u>151,830</u>	<u>133,185</u>

10 Creditors: amounts falling due within one year

	1994 £	1993 £
Trade creditors	14,395	13,580
Amounts owed to fellow and subsidiary undertakings	3,754	21,490
Corporation tax	52,362	50,419
Other creditors	194	4
Accruals and deferred income	<u>27,869</u>	<u>31,649</u>
	<u>98,574</u>	<u>117,142</u>

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Notes (continued)

11 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Amounts owed to group undertakings	<u>250,000</u>	<u>250,000</u>

This amount represents a long term, interest free funding loan from the ultimate parent company

12 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13 Pension scheme

The holding company, The Peninsular and Oriental Steam Navigation Company, operates a pension scheme which covers the majority of its employees. The contributions by the company are calculated with actuarial advice to cover the accruing liabilities on a continuing basis. Actuarial valuations are carried out triennially. The last valuation was carried out at 1 April 1994, details of which are included within the holding company's financial statements.

14 Ultimate parent company

The ultimate parent company, is The Peninsular and Oriental Steam Navigation Company which is incorporated in Great Britain by Royal Charter and registered in England and Wales.

Copies of the accounts of the holding company can be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3H2