

Company Registration No. 131397 (Scotland)

**Survival Craft Inspectorate Limited**

**Abbreviated Accounts**

**For The Year Ended 31 May 2008**

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# **SURVIVAL CRAFT INSPECTORATE LIMITED**

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# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2008**

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The directors present their report and financial statements for the year ended 31 May 2008.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of inspecting and servicing offshore survival craft and the supply of marine equipment.

The directors are satisfied with the results for the year and with the company's future prospects.

### **Results and dividends**

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 June 2007:

Angus Campbell  
Keith Hunt

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and 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;
- 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 which 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.

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008**

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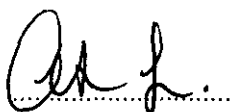
### **Statement of disclosure to auditor**

The directors confirm that;

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

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Catherine Campbell

**Secretary**

20 MARCH 09

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO SURVIVAL CRAFT INSPECTORATE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Survival Craft Inspectorate Limited for the year ended 31 May 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

### **Basis of audit opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



**Johnston Carmichael**

Chartered Accountants  
Registered Auditor

*25<sup>th</sup> March 2009*

Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2008**

	Notes	2008 £	2007 £
Gross profit		3,007,006	2,336,918
Administrative expenses		(1,498,935)	(1,866,065)
Operating profit	2	1,508,071	470,853
Other interest receivable and similar income		19,455	6,331
Interest payable and similar charges	3	(11,810)	(16,246)
Profit on ordinary activities before taxation		1,515,716	460,938
Tax on profit on ordinary activities	4	(450,829)	(164,223)
Profit for the year	15	1,064,887	296,715

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MAY 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Intangible assets	5		5,001		10,001
Tangible assets	6		779,492		739,380
Investments	7		2		2
			<u>784,495</u>		<u>749,383</u>
<b>Current assets</b>					
Stocks	8	714,707		511,042	
Debtors	9	2,737,133		2,764,253	
Cash at bank and in hand		913,954		129,203	
		<u>4,365,794</u>		<u>3,404,498</u>	
<b>Creditors: amounts falling due within one year</b>	10	(2,583,698)		(2,622,886)	
<b>Net current assets</b>			<u>1,782,096</u>		<u>781,612</u>
<b>Total assets less current liabilities</b>			<u>2,566,591</u>		<u>1,530,995</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(127,145)		(155,838)
<b>Provisions for liabilities</b>	12		(16,251)		(16,849)
			<u>2,423,195</u>		<u>1,358,308</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		2,423,095		1,358,208
<b>Shareholders' funds</b>	16		<u>2,423,195</u>		<u>1,358,308</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 29 May 2009

  
Angus Campbell  
Director

# SURVIVAL CRAFT INSPECTORATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2008

	2008		2007	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		1,107,094		232,585
<b>Returns on investments and servicing of finance</b>				
Interest received	19,455		6,331	
Interest paid	(11,810)		(16,246)	
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>		7,645		(9,915)
<b>Taxation</b>		(118,192)		(57,177)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(79,598)		(174,453)	
Receipts from sales of tangible assets	-		100	
<b>Net cash outflow for capital expenditure</b>		(79,598)		(174,353)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		916,949		(8,860)
<b>Financing</b>				
Repayment of long term bank loan	(28,689)		(27,541)	
<b>Net cash outflow from financing</b>		(28,689)		(27,541)
<b>Increase/(decrease) in cash in the year</b>		888,260		(36,401)



# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	1,508,071	470,853
	Depreciation of tangible assets	39,486	32,585
	Amortisation of intangible assets	5,000	5,000
	Loss on disposal of tangible assets	-	1,249
	Increase in stocks	(203,665)	(276,954)
	Decrease/(increase) in debtors	27,120	(1,204,296)
	(Decrease)/Increase in creditors within one year	(268,918)	1,204,148
	<b>Net cash inflow from operating activities</b>	<b>1,107,094</b>	<b>232,585</b>

2	Analysis of net funds/(debt)	1 June 2007	Cash flow	Other non-cash changes	31 May 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	129,203	784,751	-	913,954
	Bank overdrafts	(103,509)	103,509	-	-
		<u>25,694</u>	<u>888,260</u>	<u>-</u>	<u>913,954</u>
	Debt:				
	Debts falling due within one year	(29,663)	(4)	-	(29,667)
	Debts falling due after one year	(155,838)	28,693	-	(127,145)
		<u>(185,501)</u>	<u>28,689</u>	<u>-</u>	<u>(156,812)</u>
	<b>Net (debt)/funds</b>	<b>(159,807)</b>	<b>916,949</b>	<b>-</b>	<b>757,142</b>

3	Reconciliation of net cash flow to movement in net funds/(debt)	2008	2007
		£	£
	Increase/(decrease) in cash in the year	888,260	(36,401)
	Cash outflow from decrease in debt	28,689	27,541
	<b>Movement in net funds/(debt) in the year</b>	<b>916,949</b>	<b>(8,860)</b>
	Opening net debt	(159,807)	(150,947)
	<b>Closing net funds/(debt)</b>	<b>757,142</b>	<b>(159,807)</b>

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2008**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Turnover in relation to equipment sales is recognised at the point at which the equipment is delivered to the customer. Related costs are recognised in line with turnover. Amounts invoiced in advance of delivery are treated as deferred income.

#### **1.3 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

#### **1.4 Intellectual property**

Intellectual property is valued at cost less accumulated amortisation.

#### **1.5 Research and development**

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

#### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- straight line over 50 years
Fixtures, fittings and equipment	- 20% reducing balance
Computer equipment	- straight line over 3 years
Motor vehicles	- 20% reducing balance

#### **1.7 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.8 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

#### **1.9 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

### 1 Accounting policies

(continued)

#### 1.10 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### 1.12 Basis of consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	5,000	5,000
Depreciation of tangible assets	39,486	32,585
Loss on disposal of tangible assets	-	1,249
Loss on foreign exchange transactions	24,673	31,692
Research and development	64,342	14,542
Operating lease rentals		
- Plant and machinery	18,319	24,640
- Other assets	5,393	2,651
Auditors' remuneration	10,575	8,000

### 3 Control

The company is controlled by the directors.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

4 Taxation	2008 £	2007 £
<b>Domestic current year tax</b>		
U.K. corporation tax	451,427	148,187
Adjustment for prior years	-	1,257
Double tax relief	-	(29,995)
	<u>451,427</u>	<u>119,449</u>
<b>Foreign corporation tax</b>		
Foreign corporation tax	-	34,583
	<u>-</u>	<u>34,583</u>
<b>Current tax charge</b>	<u>451,427</u>	<u>154,032</u>
<b>Deferred tax</b>		
Deferred tax charge/(credit)	565	9,821
Effect of changes in tax rate	(1,163)	-
Deferred tax adjust re previous year	-	370
	<u>(598)</u>	<u>10,191</u>
	<u>450,829</u>	<u>164,223</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>1,515,716</u>	<u>460,938</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.67% (2007 - 30.00%)	<u>449,713</u>	<u>138,281</u>
Effects of:		
Non deductible expenses	1,799	13,565
Capital allowances in excess of depreciation	(85)	(3,509)
Foreign tax adjustments	-	4,588
Adjustments to previous periods	-	1,257
Marginal rate relief	-	(150)
	<u>1,714</u>	<u>15,751</u>
<b>Current tax charge</b>	<u>451,427</u>	<u>154,032</u>

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

### 5 Intangible fixed assets

	Intellectual property £	Goodwill £	Total £
<b>Cost</b>			
At 1 June 2007 & at 31 May 2008	1	50,000	50,001
<b>Amortisation</b>			
At 1 June 2007	-	40,000	40,000
Charge for the year	-	5,000	5,000
At 31 May 2008	-	45,000	45,000
<b>Net book value</b>			
At 31 May 2008	1	5,000	5,001
At 31 May 2007	1	10,000	10,001

### 6 Tangible fixed assets

	Land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 June 2007	641,402	281,341	10,600	933,343
Additions	40,743	38,855	-	79,598
At 31 May 2008	682,145	320,196	10,600	1,012,941
<b>Depreciation</b>				
At 1 June 2007	26,533	164,682	2,748	193,963
Charge for the year	9,617	28,299	1,570	39,486
At 31 May 2008	36,150	192,981	4,318	233,449
<b>Net book value</b>				
At 31 May 2008	645,995	127,215	6,282	779,492
At 31 May 2007	614,869	116,659	7,852	739,380

Included within freehold land and buildings is land of £185,588 (2007 - £185,588) which is not depreciated.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 June 2007 & at 31 May 2008	2
<b>Net book value</b>	
At 31 May 2008	2
At 31 May 2007	2

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Survival Craft Inspectorate Norge AS	Norway	Ordinary	100.00
Survival Craft Inspectorate Australia Pty	Australia	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
Survival Craft Inspectorate Norge AS	93,211	(3,891)
Survival Craft Inspectorate Australia Pty	143,447	63,741

### 8 Stocks and work in progress

	2008 £	2007 £
Work in progress	407,322	290,546
Finished goods and goods for resale	307,385	220,496
	714,707	511,042

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008**

<b>9 Debtors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,981,922	2,135,520
Amounts owed by subsidiary undertakings	374,202	376,494
Other debtors	87,712	52,667
Prepayments and accrued income	293,297	199,572
	<u>2,737,133</u>	<u>2,764,253</u>
<b>10 Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	29,667	133,172
Trade creditors	890,856	625,392
Corporation tax	451,427	118,192
Other taxes and social security costs	84,123	79,759
Accruals and deferred income	1,127,625	1,666,371
	<u>2,583,698</u>	<u>2,622,886</u>

The aggregate amount of secured liabilities amounted to £156,812 (2007 - £289,010).

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

11 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	127,145	155,838
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:	156,812	185,501
	156,812	185,501
Included in current liabilities	(29,667)	(29,663)
	127,145	155,838
Instalments not due within five years	-	20,347
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	29,667	29,663
In more than two years but not more than five years	127,145	135,491
In more than five years	-	20,347

## 12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 June 2007	16,849
Profit and loss account	(598)
Balance at 31 May 2008	16,251

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	16,251	16,849



# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

### 13 Pension costs

#### Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	29,909	50,488

### 14 Share capital

#### Authorised

	2008 £	2007 £
500 Ordinary Shares of £1 each	500	500
500 Ordinary A Shares of £1 each	500	500
	1,000	1,000

#### Allotted, called up and fully paid

80 Ordinary Shares of £1 each	80	80
20 Ordinary A Shares of £1 each	20	20
	100	100

The Ordinary A shares have no voting rights but rank in all other respects, pari passu with the Ordinary shares.

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2007	1,358,208
Profit for the year	1,064,887
Balance at 31 May 2008	2,423,095

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

16 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit for the financial year	1,064,887	296,715
Opening shareholders' funds	1,358,308	1,061,593
Closing shareholders' funds	<u>2,423,195</u>	<u>1,358,308</u>

### 17 Financial commitments

At 31 May 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2009:

	2008 £	Other 2007 £
Operating leases which expire:		
Within one year	2,528	-
Between two and five years	15,321	13,181
	<u>17,849</u>	<u>13,181</u>

18 Capital commitments	2008 £	2007 £
At 31 May 2008 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>44,260</u>	<u>-</u>

19 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	712,605	783,300
Company pension contributions to money purchase schemes	-	32,000
	<u>712,605</u>	<u>815,300</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>272,339</u>	<u>381,349</u>
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# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2008

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Manufacturing, servicing, and workshop	63	51
Administrative and marketing	19	15
	<u>82</u>	<u>66</u>

#### Employment costs

	2008 £	2007 £
Wages and salaries	3,088,046	2,850,035
Social security costs	336,833	331,709
Other pension costs	29,909	50,488
	<u>3,454,788</u>	<u>3,232,232</u>

### 21 Control

The company is controlled by the directors.

### 22 Related party transactions

Included within debtors are amounts due from the company's subsidiaries, Survival Craft Norge AS and Survival Craft Australia, of £118,833 (2007 - £155,587) and £245,932 (2007 - £220,907) respectively.