

Company Registration No. 131397 (Scotland)

Survival Craft Inspectorate Limited
Annual Report and Consolidated Financial Statements
For The Year Ended 31 May 2010

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SURVIVAL CRAFT INSPECTORATE LIMITED

DIRECTORS AND ADVISERS

Directors	Angus Campbell Keith Hunt
Secretary	Catherine Campbell
Company number	131397
Registered office	Findon Shore Findon Aberdeen AB12 3RL
Registered auditors	Johnston Carmichael Bishop's Court 29 Albyn Place Aberdeen AB10 1YL
Solicitors	Aberdein Considine and Co 8 and 9 Bon Accord Crescent Aberdeen AB11 6DN

SURVIVAL CRAFT INSPECTORATE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 25

SURVIVAL CRAFT INSPECTORATE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

The directors present their report and financial statements for the year ended 31 May 2010.

Principal activities and review of the business

The principal activity of the Group is that of providing marine lifesaving and safety equipment and services to the oil and gas and shipping industries worldwide.

The capabilities of the Group, from its locations in UK, Norway, Singapore, Malaysia, Australia and USA, consist of a full range of marine-related services, including design, procurement of specialised equipment, build, full integration, testing, on-site implementation, maintenance, servicing and support.

The directors are of the opinion that the Group's results for the year to 31 May 2010 are satisfactory and consider that the Group's global infrastructure allied to its full service offering, means that it is well placed to capitalise on future opportunities throughout the worldwide marine industry.

Principal risks and uncertainties

The Group purchases equipment for resale from overseas suppliers, primarily in US dollars. Whilst this position leads to a notional exchange rate movement exposure, the Group adopts a natural hedge position, whereby equipment purchased in non-Sterling currency denominations is sold on to customers in the same currency. In addition, the Group manages this risk via appropriate Treasury management.

Environment

The company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

An interim dividend of £400,000 was paid in March 2010. The directors do not propose a final dividend.

Directors

The following directors have held office since 1 June 2009:

Angus Campbell

Keith Hunt

SURVIVAL CRAFT INSPECTORATE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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 company and of the group and of the profit or loss of the 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 group 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.

Statement of disclosure to auditors

The directors confirm that;

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

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

On behalf of the board



Angus Campbell

Director

15 February 2011

SURVIVAL CRAFT INSPECTORATE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURVIVAL CRAFT INSPECTORATE LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Survival Craft Inspectorate Limited for the year ended 31 May 2010 set out on pages 5 to 25. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement included in the Directors' Report set out on pages 1 - 2, 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.

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 group's and 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 group's and parent company's affairs as at 31 May 2010 and of the group's profit 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.

SURVIVAL CRAFT INSPECTORATE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SURVIVAL CRAFT INSPECTORATE LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Brian Moran (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael

18th February 2011

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

SURVIVAL CRAFT INSPECTORATE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 £	2009 £
Turnover	2	14,643,862	11,098,395
Cost of sales		(9,313,301)	(7,539,914)
Gross profit		5,330,561	3,558,481
Administrative expenses		(2,913,499)	(1,792,760)
Operating profit	3	2,417,062	1,765,721
Other interest receivable and similar income		1,636	35,059
Interest payable and similar charges	4	(1,905)	(14,382)
Profit on ordinary activities before taxation	3	2,416,793	1,786,398
Tax on profit on ordinary activities	5	(737,393)	(473,606)
Profit on ordinary activities after taxation		<u>1,679,400</u>	<u>1,312,792</u>

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

SURVIVAL CRAFT INSPECTORATE LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MAY 2010

	2010	2009
	£	£
Profit for the financial year	1,679,400	1,312,792
Currency translation differences on foreign currency net investments	(16,833)	-
Total recognised gains and losses relating to the year	<u>1,662,567</u>	<u>1,312,792</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

BALANCE SHEETS

AS AT 31 MAY 2010

		Group		Company	
	Notes	2010	2009	2010	2009
		£	£	£	£
Fixed assets					
Intangible assets	8	1	171	1	1
Tangible assets	9	1,157,157	887,533	1,110,346	864,610
Investments	10	-	-	14,774	14,450
		<u>1,157,158</u>	<u>887,704</u>	<u>1,125,121</u>	<u>879,061</u>
Current assets					
Stocks	11	707,516	940,305	515,065	940,305
Debtors	12	4,163,905	4,114,214	4,340,909	4,193,708
Cash at bank and in hand		2,542,393	1,077,989	2,244,543	838,289
		<u>7,413,814</u>	<u>6,132,508</u>	<u>7,100,517</u>	<u>5,972,302</u>
Creditors: amounts falling due within one year	13	(3,057,325)	(3,226,747)	(2,794,695)	(3,137,725)
Net current assets		<u>4,356,489</u>	<u>2,905,761</u>	<u>4,305,822</u>	<u>2,834,577</u>
Total assets less current liabilities		<u>5,513,647</u>	<u>3,793,465</u>	<u>5,430,943</u>	<u>3,713,638</u>
Creditors: amounts falling due after more than one year	14	(534,568)	(87,233)	(534,568)	(87,233)
Provisions for liabilities	15	(29,275)	(18,995)	(29,275)	(18,995)
		<u>4,949,804</u>	<u>3,687,237</u>	<u>4,867,100</u>	<u>3,607,410</u>
Capital and reserves					
Called up share capital	17	100	100	100	100
Profit and loss account	18	4,949,704	3,687,137	4,867,000	3,607,310
Shareholders' funds	19	<u>4,949,804</u>	<u>3,687,237</u>	<u>4,867,100</u>	<u>3,607,410</u>

Approved by the Board and authorised for issue on 15 February 2011



Angus Campbell
Director

Company Registration No. 131397

SURVIVAL CRAFT INSPECTORATE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		2,133,501		836,125
Returns on investments and servicing of finance				
Interest received	1,636		35,059	
Interest paid	(1,905)		(14,382)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(269)		20,677
Taxation		(484,555)		(716,162)
Capital expenditure				
Payments to acquire tangible assets	(349,473)		(149,765)	
Receipts from sales of tangible assets	-		1,800	
Net cash outflow for capital expenditure		(349,473)		(147,965)
Equity dividends paid		(400,000)		-
Net cash inflow/(outflow) before management of liquid resources and financing		899,204		(7,325)
Financing				
New long term bank loan	600,000		-	
Repayment of long term bank loan	(34,800)		(32,294)	
Net cash inflow/(outflow) from financing		565,200		(32,294)
Increase/(decrease) in cash in the year		1,464,404		(39,619)

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
		£	£
	Operating profit	2,417,062	1,765,721
	Depreciation of tangible assets	78,180	43,223
	Amortisation of intangible assets	170	5,158
	Loss on disposal of tangible assets	1,669	2,482
	Decrease/(increase) in stocks	232,789	(225,598)
	Increase in debtors	(49,691)	(1,494,759)
	(Decrease)/Increase in creditors within one year	(529,845)	739,898
	Net effect of foreign exchange differences	(16,833)	-
	Net cash inflow from operating activities	2,133,501	836,125

2	Analysis of net funds	1 June 2009	Cash flow	Other non-cash changes	31 May 2010
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,077,989	1,464,404	-	2,542,393
	Debts falling due within one year	(37,285)	(117,865)	-	(155,150)
	Debts falling due after one year	(87,233)	(447,335)	-	(534,568)
		(124,518)	(565,200)	-	(689,718)
	Net funds	953,471	899,204	-	1,852,675

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase/(decrease) in cash in the year	1,464,404	(39,619)
	Cash (inflow)/outflow from (increase)/decrease in debt	(565,200)	32,294
	Movement in net funds in the year	899,204	(7,325)
	Opening net funds	953,471	960,796
	Closing net funds	1,852,675	953,471

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 May 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 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.

The company now has a number of large long term contracts. Revenue and costs on such contracts are now recognised based on the percentage complete.

1.5 Goodwill

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

1.6 Research and development

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

1.7 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:

Land and buildings	-straight line over 50 years
Leasehold improvements	-straight line over 5 years
Fixtures, fittings & equipment	-15% to 38% reducing balance
Motor vehicles	-10 to 20% reducing balance

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

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

1.10 Stock and short-term work in progress

Stocks are stated at the lower of cost and net realisable value. Short-term work in progress is valued at the lower of cost and net realisable value.

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

1 Accounting policies

(continued)

1.11 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.12 Pensions

The group operates a defined contribution 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.

1.13 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.

1.14 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 profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2010 £'000	2009 £'000
Geographical segment		
UK	11,774	9,096
Rest of Europe	1,828	1,143
Rest of World	1,042	859
	<u>14,644</u>	<u>11,098</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	170	5,158
	Depreciation of tangible assets	78,180	43,223
	Loss on disposal of tangible assets	1,669	2,482
	Loss on foreign exchange transactions	115,203	-
	Research and development	9,851	11,654
	Operating lease rentals		
	- Plant and machinery	33,700	24,646
	- Other assets	9,274	5,099
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £16,500; 2009: £16,500)	16,500	16,500
	and after crediting:		
	Profit on foreign exchange transactions	-	(88,642)
		<u> </u>	<u> </u>
4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	1,905	14,382
		<u> </u>	<u> </u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

5	Taxation	2010 £	2009 £
	Domestic current year tax		
	U.K. corporation tax	656,740	470,812
	Adjustment for prior years	(280)	-
		<u>656,460</u>	<u>470,812</u>
	Foreign corporation tax		
	Foreign corporation tax	30,000	50
	Adjustment for prior years	40,653	-
		<u>70,653</u>	<u>50</u>
	Current tax charge	<u>727,113</u>	<u>470,862</u>
	Deferred tax		
	Deferred tax charge current year	10,280	2,744
		<u>737,393</u>	<u>473,606</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>2,416,793</u>	<u>1,786,398</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>676,702</u>	<u>500,191</u>
	Effects of:		
	Non deductible expenses	1,247	2,555
	Capital allowances in excess of depreciation	(7,345)	(2,247)
	Foreign tax adjustments	56,734	(43,637)
	Adjustments to previous periods	(280)	-
	Other tax adjustments	55	14,000
		<u>50,411</u>	<u>(29,329)</u>
	Current tax charge	<u>727,113</u>	<u>470,862</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010	2009
	£	£
Holding company's profit for the financial year	1,659,690	1,184,215
	<u> </u>	<u> </u>

7 Dividends

	2010	2009
	£	£
Ordinary interim paid	400,000	-
	<u> </u>	<u> </u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

8 Intangible fixed assets

Group	Other intangibles £	Goodwill £	Total £
Cost			
At 1 June 2009	772	50,000	50,772
Written off during the year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
At 31 May 2010	772	-	772
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 June 2009	601	50,000	50,601
Charge for the year	170	-	170
Written off during the year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
At 31 May 2010	771	-	771
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 May 2010	1	-	1
	<hr/>	<hr/>	<hr/>
At 31 May 2009	171	-	171
	<hr/>	<hr/>	<hr/>

Company	Patents £	Goodwill £	Total £
Cost			
At 1 June 2009	1	50,000	50,001
Written off during the year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
At 31 May 2010	1	-	1
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 June 2009	-	50,000	50,000
Written off during the year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 May 2010	1	-	1
	<hr/>	<hr/>	<hr/>
At 31 May 2009	1	-	1
	<hr/>	<hr/>	<hr/>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

9 Tangible fixed assets

Group

	Land and buildings Freehold	Fixtures fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 June 2009	781,234	357,768	26,137	1,165,139
Additions	50,322	281,081	18,070	349,473
Disposals	-	(1,669)	-	(1,669)
At 31 May 2010	831,556	637,180	44,207	1,512,943
Depreciation				
At 1 June 2009	47,267	224,539	5,800	277,606
Charge for the year	13,532	58,562	6,086	78,180
At 31 May 2010	60,799	283,101	11,886	355,786
Net book value				
At 31 May 2010	770,757	354,079	32,321	1,157,157
At 31 May 2009	733,967	133,229	20,337	887,533

Included within freehold land and buildings is land of £185,588 (2009 - £185,588) which is not depreciated.

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

Tangible fixed assets (continued)

Company

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 June 2009	781,234	351,818	2,500	1,135,552
Additions	50,322	261,719	2,778	314,819
At 31 May 2010	831,556	613,537	5,278	1,450,371
Depreciation				
At 1 June 2009	47,267	222,775	900	270,942
Charge for the year	13,532	54,722	829	69,083
At 31 May 2010	60,799	277,497	1,729	340,025
Net book value				
At 31 May 2010	770,757	336,040	3,549	1,110,346
At 31 May 2009	733,967	129,043	1,600	864,610

Included within freehold land and buildings is land of £185,588 (2009 - £185,588) which is not depreciated.

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

10 Fixed asset investments (continued)

Company	Shares in group undertakings £
Cost	
At 1 June 2009	14,450
Additions	324
At 31 May 2010	14,774
Net book value	
At 31 May 2010	14,774
At 31 May 2009	14,450

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

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 %
Subsidiary undertakings			
Survival Craft Inspectorate Norge AS	Norway	Ordinary	100
Survival Craft Inspectorate Australia PTY Ltd	Australia	Ordinary	100
Survival Craft Inspectorate PTE Limited	Singapore	Ordinary	100
Survival Craft Inspectorate (Johor Bahru) SDN BHD	Malaysia	Ordinary	100
Survival Craft Inspectorate SDN BHD	Malaysia	Ordinary	100
Survival Craft Inspectorate Inc	USA	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Survival Craft Inspectorate Norge AS	Servicing, inspection and repairing life boats and equipment.
Survival Craft Inspectorate Australia PTY Ltd	Inspection, repair and testing of lifeboats and fire fighting equipment.
Survival Craft Inspectorate PTE Limited	Servicing, inspection and repairing life boats and equipment.
Survival Craft Inspectorate (Johor Bahru) SDN BHD	Dormant

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

10 Fixed asset investments

(continued)

Survival Craft Inspectorate SDN BHD
Survival Craft Inspectorate Inc

Dormant
Dormant

Survival Craft Inspectorate Norge AS has a financial year end of 31 December 2009 due to statutory requirements in Norway. Interim financial statements for the year ended 31 May 2010 have been used in preparing the consolidated group statements.

Survival Craft Inspectorate Australia PTY Limited has a financial year end of June 2010.

11 Stocks and work in progress

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Work in progress	168,865	683,047	168,865	683,047
Finished goods and goods for resale	538,651	257,258	346,200	257,258
	<u>707,516</u>	<u>940,305</u>	<u>515,065</u>	<u>940,305</u>

12 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	3,453,114	3,392,240	3,145,994	3,139,491
Amounts recoverable on long term contracts	469,609	-	469,609	-
Amounts owed by group undertakings	-	-	526,259	376,602
Other debtors	102,657	118,131	60,522	73,772
Prepayments and accrued income	138,525	603,843	138,525	603,843
	<u>4,163,905</u>	<u>4,114,214</u>	<u>4,340,909</u>	<u>4,193,708</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

13 Creditors : amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	155,150	37,285	155,150	37,285
Trade creditors	870,830	530,508	784,723	477,816
Corporation tax	454,741	212,183	422,741	206,024
Taxes and social security costs	125,969	108,590	119,177	102,840
Other creditors	101,074	169,421	-	145,000
Accruals and deferred income	1,349,561	2,168,760	1,312,904	2,168,760
	<u>3,057,325</u>	<u>3,226,747</u>	<u>2,794,695</u>	<u>3,137,725</u>

The bank loan and overdraft are secured by a bond and floating charge over the assets of the company.

14 Creditors : amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	<u>534,568</u>	<u>87,233</u>	<u>534,568</u>	<u>87,233</u>
Analysis of loans				
Not wholly repayable within five years by instalments:	-	124,518	-	124,518
Included in current liabilities	<u>(155,150)</u>	<u>(37,285)</u>	<u>(155,150)</u>	<u>(37,285)</u>
	<u>534,568</u>	<u>87,233</u>	<u>534,568</u>	<u>87,233</u>
Loan maturity analysis				
In more than one year but not more than two years	155,150	37,285	155,150	37,285
In more than two years but not more than five years	<u>379,418</u>	<u>49,938</u>	<u>379,418</u>	<u>49,938</u>

The bank loan is secured by a bond and floating charge over the assets of the company.

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

15 Provisions for liabilities

Group

Deferred taxation £

Balance at 1 June 2009	18,995
Profit and loss account	10,280
	<hr/>
Balance at 31 May 2010	29,275
	<hr/>

Company

Balance at 1 June 2009	18,995
Profit and loss account	10,280
	<hr/>
Balance at 31 May 2010	29,275
	<hr/>

The deferred tax liability is made up as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	29,275	18,995	29,275	18,995
	<hr/>	<hr/>	<hr/>	<hr/>

16 Pension and other post-retirement benefit commitments

Defined contribution

	2010	2009
	£	£
Contributions payable by the group for the year	39,777	27,608
	<hr/>	<hr/>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

17 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
80 Ordinary Shares of £1 each	80	80
20 Ordinary A Shares of £1 each	20	20
	<u>100</u>	<u>100</u>

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

18 Statement of movements on profit and loss account Group

Profit and loss account £

Balance at 1 June 2009	3,687,137
Profit for the year	1,679,400
Foreign currency translation differences	(16,833)
Dividends paid	(400,000)
Balance at 31 May 2010	<u>4,949,704</u>

Company

Profit and loss account £

Balance at 1 June 2009	3,607,310
Profit for the year	1,659,690
Dividends paid	(400,000)
Balance at 31 May 2010	<u>4,867,000</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

19 Reconciliation of movements in shareholders' funds		2010	2009
Group		£	£
Profit for the financial year		1,679,400	1,312,792
Dividends		(400,000)	-
		<u>1,279,400</u>	<u>1,312,792</u>
Other recognised gains and losses		(16,833)	-
		<u>1,262,567</u>	<u>1,312,792</u>
Net addition to shareholders' funds		3,687,237	2,374,445
Opening shareholders' funds		<u>4,949,804</u>	<u>3,687,237</u>
Closing shareholders' funds		<u>4,949,804</u>	<u>3,687,237</u>
Company		2010	2009
		£	£
Profit for the financial year		1,659,690	1,184,215
Dividends		(400,000)	-
		<u>1,259,690</u>	<u>1,184,215</u>
Net addition to shareholders' funds		3,607,410	2,423,195
Opening shareholders' funds		<u>4,867,100</u>	<u>3,607,410</u>
Closing shareholders' funds		<u>4,867,100</u>	<u>3,607,410</u>

20 Financial commitments

At 31 May 2010 the group and company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within one year	4,789	-	10,357	4,463
Between two and five years	26,833	-	18,519	13,918
	<u>31,622</u>	<u>-</u>	<u>28,876</u>	<u>18,381</u>

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

21 Directors' emoluments	2010 £	2009 £
Emoluments for qualifying services	<u>226,172</u>	<u>558,242</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2009- 2).

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

Emoluments for qualifying services	<u>116,126</u>	<u>280,660</u>
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22 Employees

Number of employees

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

	2010 Number	2009 Number
Manufacturing, servicing and workshop	76	66
Administrative and marketing	26	21
	<u>102</u>	<u>87</u>

Employment costs

	2010 £	2009 £
Wages and salaries	4,082,459	3,846,477
Social security costs	371,116	396,029
Other pension costs	39,777	27,608
	<u>4,493,352</u>	<u>4,270,114</u>

23 Control

The group is controlled by the directors.

SURVIVAL CRAFT INSPECTORATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

24 Related party transactions

Company

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

25 Post Balance Sheet Events

Group and company

On 9 June 2010 the company purchased the entire share capital of Viscom (Aberdeen) Limited.