

Company Registration No. 131397 (Scotland)

**Survival Craft Inspectorate Limited**

**Abbreviated Accounts**

**For The Year Ended 31 May 2003**



SCT SU9V7TRH 0934  
COMPANIES HOUSE 27/03/04

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

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# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2003**

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The directors present their report and financial statements for the year ended 31 May 2003.

### **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 2002:

Angus Campbell  
Keith Hunt

### **Directors' interests**

The directors' interests (including those of their spouses) in the shares of the company were as stated below:

	<b>Ordinary Shares of £ 1 each</b>	
	<b>31 May 2003</b>	<b>1 June 2002</b>
Angus Campbell	40	40
Keith Hunt	40	40

	<b>Ordinary A Shares of £ 1 each</b>	
	<b>31 May 2003</b>	<b>1 June 2002</b>
Angus Campbell	20	20
Keith Hunt	-	-

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Johnston Carmichael be reappointed as auditors of the company will be put to the Annual General Meeting.

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003**

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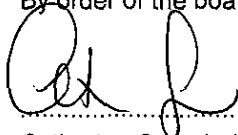
### **Directors' responsibilities**

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;
- 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 to 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.

By order of the board



Catherine Campbell

**Secretary**

25 February 2004

# **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 16, together with the financial statements of the company for the year ended 31 May 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the members of the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our 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 accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

### **Basis of audit opinion**

We have carried out the procedures we considered 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

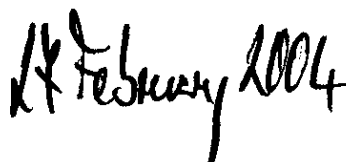
### **Opinion**

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 on pages 4 to 16 are properly prepared in accordance with that provision.



**Johnston Carmichael**

Chartered Accountants and  
Registered Auditor



.....  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2003**

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		<b>2003</b>	<b>2002</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		998,607	837,158
Administrative expenses		(808,298)	(668,297)
<b>Operating profit</b>	<b>2</b>	190,309	168,861
Other interest receivable and similar income		1,102	2,497
Interest payable and similar charges	<b>3</b>	(7,793)	(5,668)
<b>Profit on ordinary activities before taxation</b>		183,618	165,690
Tax on profit on ordinary activities	<b>4</b>	(29,206)	(27,613)
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	154,412	138,077

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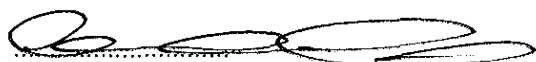
# SURVIVAL CRAFT INSPECTORATE LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MAY 2003

	Notes	2003		2002	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		30,001		35,001
Tangible assets	6		441,090		76,884
			<u>471,091</u>		<u>111,885</u>
<b>Current assets</b>					
Stocks	7	131,509		129,866	
Debtors	8	908,940		1,247,894	
Cash at bank and in hand		102,615		170,450	
		<u>1,143,064</u>		<u>1,548,210</u>	
<b>Creditors: amounts falling due within one year</b>	9	(421,094)		(881,438)	
<b>Net current assets</b>			<u>721,970</u>		<u>666,772</u>
<b>Total assets less current liabilities</b>			<u>1,193,061</u>		<u>778,657</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(258,256)		-
<b>Provisions for liabilities and charges</b>	11		(8,689)		(6,953)
			<u>926,116</u>		<u>771,704</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account	14		926,016		771,604
<b>Shareholders' funds - equity interests</b>	15		<u>926,116</u>		<u>771,704</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.

The financial statements were approved by the Board on 25 February 2004



Angus Campbell  
Director

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2003**

	<b>2003</b>		<b>2002</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>		68,609		104,471
<b>Returns on investments and servicing of finance</b>				
Interest received	1,102		2,497	
Interest paid	(7,793)		(5,668)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(6,691)		(3,171)
<b>Taxation</b>		(26,985)		(71,509)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(391,024)		(20,479)	
<b>Net cash outflow for capital expenditure</b>		(391,024)		(20,479)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(356,091)		9,312
<b>Financing</b>				
New long term bank loan	300,000		-	
Repayment of long term bank loan	(11,744)		-	
<b>Net cash inflow/(outflow) from financing</b>		288,256		-
<b>(Decrease)/increase in cash in the year</b>		(67,835)		9,312



# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit	190,309	168,861
	Depreciation of tangible assets	26,818	17,649
	Amortisation of intangible assets	5,000	5,000
	Loss on disposal of tangible assets	-	2,329
	(Increase)/decrease in stocks	(1,643)	5,219
	Decrease/(increase) in debtors	338,954	(733,443)
	(Decrease)/Increase in creditors within one year	(490,829)	638,856
	<b>Net cash inflow from operating activities</b>	<b>68,609</b>	<b>104,471</b>

2	Analysis of net (debt)/funds	1 June 2002	Cash flow	Other non-cash changes	31 May 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	170,450	(67,835)	-	102,615
	Debt:				
	Debts falling due within one year	-	(30,000)	-	(30,000)
	Debts falling due after one year	-	(258,256)	-	(258,256)
		-	(288,256)	-	(288,256)
	<b>Net funds/(debt)</b>	<b>170,450</b>	<b>(356,091)</b>	<b>-</b>	<b>(185,641)</b>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2003	2002
		£	£
	(Decrease)/increase in cash in the year	(67,835)	9,312
	Cash inflow from increase in debt	(288,256)	-
	<b>Movement in net (debt)/funds in the year</b>	<b>(356,091)</b>	<b>9,312</b>
	Opening net funds	170,450	161,138
	<b>Closing net (debt)/funds</b>	<b>(185,641)</b>	<b>170,450</b>

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2003**

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### **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 accounting standards.

#### **1.3 Turnover**

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

#### **1.4 Goodwill**

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

#### **1.5 Intellectual property**

Intellectual property is valued at cost less accumulated amortisation.

#### **1.6 Research and development**

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

#### **1.7 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:

Freehold buildings	- straight line over 50 years
Leasehold improvements	- straight line over 5 years
Fixtures, fittings and equipment	- 20% reducing balance
Computer equipment	- straight line over 3 years
Motor vehicles	- 20% reducing balance

#### **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.

#### **1.10 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been 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 profit and loss account.

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003**

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<b>2</b>	<b>Operating profit</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	5,000	5,000
	Depreciation of tangible assets	26,818	17,649
	Loss on disposal of tangible fixed assets	-	2,329
	Research and development costs written off	92,722	62,729
	Auditors' remuneration	5,500	5,500
	Directors' emoluments including pension contributions and benefits in kind	115,103	163,574
		<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2 ).

<b>3</b>	<b>Interest payable</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	7,440	-
	On overdue tax	-	76
	Other interest	353	5,592
		<u>          </u>	<u>          </u>
		<u>7,793</u>	<u>5,668</u>

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

4	Taxation	2003 £	2002 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	27,489	27,004
	Adjustment for prior years	(19)	9
	<b>Current tax charge</b>	<u>27,470</u>	<u>27,013</u>
	<b>Deferred tax</b>		
	Deferred tax charge current year	1,736	600
		<u>29,206</u>	<u>27,613</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>183,618</u>	<u>165,690</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2002 : 19.83 %)	<u>34,887</u>	<u>32,856</u>
	Effects of:		
	Non deductible expenses	165	446
	Depreciation add back	6,045	4,953
	Capital allowances	(5,933)	(6,241)
	Adjustments to previous periods	(19)	9
	Research and development relief	(8,571)	(5,955)
	Other tax adjustments	896	945
		<u>(7,417)</u>	<u>(5,843)</u>
	<b>Current tax charge</b>	<u>27,470</u>	<u>27,013</u>

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

### 5 Intangible fixed assets

	Intellectual property £	Goodwill £	Total £
<b>Cost</b>			
At 1 June 2002 & at 31 May 2003	1	50,000	50,001
<b>Amortisation</b>			
At 1 June 2002	-	15,000	15,000
Charge for the year	-	5,000	5,000
At 31 May 2003	-	20,000	20,000
<b>Net book value</b>			
At 31 May 2003	1	30,000	30,001
At 31 May 2002	1	35,000	35,001

### 6 Tangible fixed assets

	Freehold buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2002	-	2,965	131,217	16,300	150,482
Additions	348,682	-	36,262	6,080	391,024
At 31 May 2003	348,682	2,965	167,479	22,380	541,506
<b>Depreciation</b>					
At 1 June 2002	-	2,965	58,199	12,434	73,598
Charge for the year	3,974	-	21,221	1,623	26,818
At 31 May 2003	3,974	2,965	79,420	14,057	100,416
<b>Net book value</b>					
At 31 May 2003	344,708	-	88,059	8,323	441,090
At 31 May 2002	-	-	73,018	3,866	76,884

Included within freehold land and buildings is land of £150,000 which is not depreciated.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

<b>7</b>	<b>Stocks and work in progress</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Work in progress	8,073	8,965
	Finished goods and goods for resale	123,436	120,901
		<u>131,509</u>	<u>129,866</u>
<b>8</b>	<b>Debtors</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Trade debtors	813,203	1,158,898
	Other debtors	16,792	-
	Prepayments and accrued income	78,945	88,996
		<u>908,940</u>	<u>1,247,894</u>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	30,000	-
	Trade creditors	192,718	224,364
	Corporation tax	27,489	27,004
	Other taxes and social security costs	33,755	51,178
	Other creditors	-	20,432
	Accruals and deferred income	137,132	558,460
		<u>421,094</u>	<u>881,438</u>

The bank borrowings are secured by a standard security over the land and buildings, and by a bond and floating charge over the assets of the company.

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

10 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	258,256	-
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:	138,256	-
Wholly repayable within five years	150,000	-
	288,256	-
Included in current liabilities	(30,000)	-
	258,256	-
Instalments not due within five years	138,256	-
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	30,000	-
In more than two years but not more than five years	90,000	-
In more than five years	138,256	-

### 11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 June 2002	6,953
Profit and loss account	1,736
Balance at 31 May 2003	8,689

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	8,689	6,953

# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

### 12 Pension costs

#### Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	14,768	109,485

### 13 Share capital

	2003 £	2002 £
<b>Authorised</b>		
500 Ordinary Shares of £ 1 each	500	500
500 Ordinary A Shares of £ 1 each	500	500
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
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.

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

	Profit and loss account £
Balance at 1 June 2002	771,604
Retained profit for the year	154,412
	<u>926,016</u>
Balance at 31 May 2003	

### 15 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	154,412	138,077
Opening shareholders' funds	771,704	633,627
	<u>926,116</u>	<u>771,704</u>
Closing shareholders' funds		



# SURVIVAL CRAFT INSPECTORATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

### 16 Financial commitments

At 31 May 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2003	2002	2003	Other 2002
	£	£	£	£
Expiry date:				
Within one year	-	40,000	10,037	3,976
Between two and five years	42,700	42,700	9,125	15,948
	<u>42,700</u>	<u>82,700</u>	<u>19,162</u>	<u>19,924</u>

### 17 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	115,103	96,907
Company pension contributions to money purchase schemes	-	66,667
	<u>115,103</u>	<u>163,574</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2 ).

### 18 Employees

#### Number of employees

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

	2003 Number	2002 Number
Servicing, workshop and materials	36	32
Marketing and administration	11	8
	<u>47</u>	<u>40</u>

#### Employment costs

	£	£
Wages and salaries	1,054,035	970,072
Social security costs	103,772	95,427
Other pension costs	14,768	109,485
	<u>1,172,575</u>	<u>1,174,984</u>

# **SURVIVAL CRAFT INSPECTORATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003**

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### **19 Control**

The company is controlled by the directors.