

BEAUFORT AIR-SEA EQUIPMENT LIMITED

(Registered No 509588)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2007

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BEAUFORT AIR-SEA EQUIPMENT LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31st March 2007

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is to act as agent for Survitec Group Limited in the design and manufacture of specialised submarine escape equipment, anti-G suits and a range of immersion, abandonment and transportation suits for military and civil use

The Company did not trade during the current or prior year and accordingly no profit and loss account is presented

DIRECTORS

The directors holding office during the year were

D J Wilman
J Earp
W S McChesney

None of the directors holding office at 31st March 2007 had any interest in the shares of the Company

Directors' interests in the shares of the ultimate holding company, SGL Limited, are as follows –

	<u>At 31st March 2007</u>
	<u>Number</u>
J Earp	10,000

Where the directors are directors of the Company's ultimate parent company, SGL Limited, their interests in the shares of that company are disclosed in its accounts

BEAUFORT AIR-SEA EQUIPMENT LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

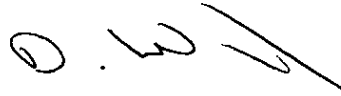
In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Deloitte & Touche LLP is to be proposed at the forthcoming Annual General Meeting

By order of the Board



D J Wilman
Secretary

26th July 2007

BEAUFORT AIR-SEA EQUIPMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities

The directors are required by United Kingdom company law 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 for that period

In preparing the 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, and
- 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 the system of internal control, safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities

BEAUFORT AIR-SEA EQUIPMENT LIMITED

REPORT OF THE INDEPENDENT AUDITORS

Independent Auditors' Report to the Members of Beaufort Air-Sea Equipment Limited

We have audited the financial statements of Beaufort Air-Sea Equipment Limited for the year ended 31st March 2007 which comprise the balance sheet and the related notes 1 to 6. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

BEAUFORT AIR-SEA EQUIPMENT LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Manchester

Date 26th July 2007

BEAUFORT AIR-SEA EQUIPMENT LIMITED

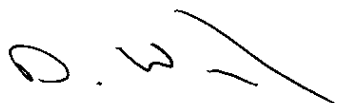
BALANCE SHEET AT 31st MARCH 2007

	<u>Notes</u>	<u>31st March</u> <u>2007</u> <u>£</u>	<u>31st March</u> <u>2006</u> <u>£</u>
CURRENT ASSETS			
Debtors	2	<u>100</u>	<u>100</u>
NET ASSETS		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account	4	<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

During the period of these accounts the Company acted as an agent for Survitec Group Limited
Consequently, it made neither a profit or a loss

The notes on page 7 form part of these accounts

The accounts were approved by the Board of Directors on 26th July 2007



D J Wilman
Director

BEAUFORT AIR-SEA EQUIPMENT LIMITED
NOTES TO THE ACCOUNTS

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

Related Party Transactions

As the Company is a wholly owned subsidiary of SGL Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of SGL Limited, within which this company is included, can be obtained from the address given in note 5

2 DEBTORS

	<u>31st March</u> <u>2007</u> <u>£</u>	<u>31st March</u> <u>2006</u> <u>£</u>
Amounts owed by group undertakings in respect of share capital	<u>100</u>	<u>100</u>

3 SHARE CAPITAL

	<u>31st March</u> <u>2007</u> <u>£</u>	<u>31st March</u> <u>2006</u> <u>£</u>
<u>Authorised</u>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<u>Issued</u>		
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

4 PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit or a loss. There are no employees other than the directors and no directors' emoluments were paid by this company.

5 ULTIMATE PARENT COMPANY

SGL Limited, a company registered and incorporated in England and Wales, is the ultimate parent company. Copies of the accounts of SGL Limited are available from the Secretary, Kingsway, Dunmurry, Belfast, BT17 9AF

6 ULTIMATE CONTROLLING PARTY

85% of the issued share capital of SGL Limited is held by Montagu Private Equity Limited