

CREWSAVER LIMITED
(Registered Number: 593296)

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1995



CREWSAVER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1995

The directors present their report and the audited accounts of Crewsaver Limited for the year ended 31 March 1995.

ACTIVITY

The principal activity of the company is the manufacture of marine safety equipment.

REVIEW OF THE BUSINESS

The results for the year are set out on page 5 and summarise in financial terms the company's activities during the year. The balance sheet annexed to this report sets out the company's position at the year end.

The company's profit for the financial year amounted to £257,337 (1994: £309,863). The directors recommend a total dividend of £151,506 (1994: £651,137). The resultant amount of £105,831 has been transferred to reserves (1994: £341,274 set against reserves).

It is anticipated that in the absence of unforeseen circumstances, the future trading of the company will be satisfactory.

FIXED ASSETS

The changes in tangible fixed assets during the year are shown in note 7 to the accounts, which also includes details of the difference between the market value and book amount of the land and buildings.

EMPLOYEES' INVOLVEMENT IN COMPANY'S AFFAIRS

The directors consult employees on a regular basis to advise them of matters of concern and to take into account their views where appropriate.

DIRECTORS AND DIRECTORS' INTERESTS

The directors during the year were:

R V Estcourt
A J H Mason
C J Hedger
M Whitcombe

CREWSAVER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1995 (Continued)

DIRECTORS AND DIRECTORS' INTERESTS (Continued)

No director has any beneficial interest in the shares of the company.

The directors' interests in the share capital of the ultimate holding company, Crewsaver Holdings Limited, were:

	<u>Ordinary shares of £1 each</u>	
	<u>31 March 1995</u>	<u>31 March 1994</u>
R V Estcourt	34,000	34,000
A J H Mason	24,000	24,000
C J Hedger	7,500	8,050
M Whitcombe	2,500	1,950

Crewsaver Limited provides liability insurance for its directors as permitted by the Companies Act 1985.

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.

CREWSAVER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1995 (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be placed before the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to be 'C J Hedger', with a long horizontal line extending to the right.

C J HEDGER
Secretary

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF CREWSAVER LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on pages 2 and 3 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
and Registered Auditors

31 January 1996

The Quay
30 Channel Way
Ocean Village
Southampton
SO14 3QG

CREWSAVER LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	1	3,866,324	4,053,303
Raw materials and consumables		(1,636,698)	(1,733,989)
Staff costs	3	(1,186,542)	(1,102,485)
Depreciation	2	(46,143)	(38,559)
Other operating charges		(700,518)	(800,339)
Interest payable and similar charges		(6,648)	(1,909)
Interest receivable and similar income		<u>9,973</u>	<u>16,401</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	299,748	392,423
Tax on profit on ordinary activities	5	<u>(42,411)</u>	<u>(82,560)</u>
PROFIT FOR THE FINANCIAL YEAR		257,337	309,863
Dividends	6	<u>(151,506)</u>	<u>(651,137)</u>
AMOUNT TRANSFERRED TO/(SET AGAINST) RESERVES	15	<u>105,831</u>	<u>(341,274)</u>

The company had no recognised gains or losses other than its profit for the year.

All the company's activities are classed as continuing.

CREWSAVER LIMITED

BALANCE SHEET AT 31 MARCH 1995

	Note	<u>1995</u>		<u>1994</u>	
		£	£	£	£
TANGIBLE ASSETS					
Fixed assets	7		260,422		239,213
CURRENT ASSETS					
Stocks	8	846,260		669,881	
Debtors	9	1,530,600		1,695,980	
Cash at bank and in hand		<u>3,390</u>		<u>2,886</u>	
		2,380,250		2,368,747	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,794,555)</u>		<u>(1,867,367)</u>	
NET CURRENT ASSETS			<u>585,695</u>		<u>501,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			846,117		740,593
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		(41,801)		(48,753)
PROVISION FOR LIABILITIES AND CHARGES	12		<u>(16,115)</u>		<u>(9,470)</u>
			<u>788,201</u>		<u>682,370</u>
CAPITAL AND RESERVES					
Called up share capital	13		2,000		2,000
Revaluation reserve	14		22,848		22,848
Profit and loss account	15		<u>763,353</u>		<u>657,522</u>
Shareholders' funds	16		<u>788,201</u>		<u>682,370</u>

APPROVED BY THE BOARD OF DIRECTORS ON

31/1/1996

R V Estcourt
C J Hedger

R V Estcourt
C J Hedger

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention modified to include the revaluation of certain leasehold properties.

(2) Turnover

Turnover represents the invoiced value of sales, excluding value added tax.

(3) Depreciation

Tangible fixed assets, except freehold land which is not depreciated, are written off over their estimated useful lives at the following rates:

Leasehold property	amortised in equal instalments over the term of the lease
Plant and machinery	between 10% and 20%
Fixtures and fittings	10%
Tooling, including approval costs	between 20% and 33.3%
Computer equipment	between 20% and 25%
Motor vehicles	25%

(4) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable production overheads.

(5) Deferred taxation

Provision is made for deferred taxation unless it is unlikely that a liability will arise within the foreseeable future.

(6) Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred. Fixed assets acquired under finance leases are capitalised and depreciated over the shorter of the term of the hire purchase contract or their useful economic lives. Obligations under finance leases are taken up as liabilities and the finance charges are written off to the profit and loss account over the term of the contract.

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

1 ACCOUNTING POLICIES (Continued)

(7) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date except where the transaction is to be settled at a contracted rate. Transactions in foreign currencies are recorded at the date of the transaction. All differences are charged to the profit and loss account.

(8) Pension costs

Pension costs for the company's funded defined contribution scheme are charged to the profit and loss account in the year in respect of which they become payable.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation - Owned assets	34,991	30,664
- Assets held under finance leases	11,152	7,895
Auditors' remuneration	11,000	11,000
Hire of plant and machinery	209	154
Other operating leases	<u>50,942</u>	<u>42,684</u>

3 STAFF COSTS

The average number of employees during the year was 107 (1994: 99).

Staff costs including directors' emoluments may be analysed:

	<u>1995</u>	<u>1994</u>
	£	£
Wages and salaries	1,037,145	946,072
Social security costs	77,034	85,541
Other pension costs	<u>72,363</u>	<u>70,872</u>
	<u>1,186,542</u>	<u>1,102,485</u>

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

4 DIRECTORS' EMOLUMENTS

	<u>1995</u>	<u>1994</u>
	£	£
Aggregate emoluments including pension contributions	<u>226,247</u>	<u>228,589</u>

The emoluments of the highest paid director, excluding pension contributions, were £70,315 (1994: £68,382). The emoluments of all directors, excluding pension contributions, fell within the following ranges:

	<u>1995</u>	<u>1994</u>
	Number	Number
£15,001 - £20,000	-	1
£25,001 - £30,000	-	1
£35,001 - £40,000	1	-
£40,001 - £45,000	1	2
£45,001 - £50,000	1	-
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents UK corporation tax and is based on the profit for the year at 33% (1994: 33%) and comprises:

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax - current year	35,766	84,423
- prior year	-	(7,754)
Deferred tax (note 12)	<u>6,645</u>	<u>5,891</u>
	<u>42,411</u>	<u>82,560</u>

The corporation tax charge has been reduced by £50,000 (1994: £53,000) in respect of group relief receivable for nil consideration.

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

6 DIVIDENDS

	<u>1995</u>	<u>1994</u>
	£	£
Ordinary:		
Paid	151,506	651,137
Proposed	—	—
Total dividend	<u>151,506</u>	<u>651,137</u>

7 TANGIBLE ASSETS

	Long leasehold land and <u>buildings</u> £	Plant and <u>machinery</u> £	Fixtures, fittings, tools and <u>equipment</u> £	<u>Total</u> £
Cost or valuation:				
At 31 March 1994	111,377	220,269	180,140	511,786
Additions	—	<u>25,880</u>	<u>41,472</u>	<u>67,352</u>
At 31 March 1995	<u>111,377</u>	<u>246,149</u>	<u>221,612</u>	<u>579,138</u>
Depreciation:				
At 31 March 1994	25,894	148,306	98,373	272,573
Charge for the year	<u>4,376</u>	<u>14,340</u>	<u>27,427</u>	<u>46,143</u>
At 31 March 1995	<u>30,270</u>	<u>162,646</u>	<u>125,800</u>	<u>318,716</u>
Net book amount:				
At 31 March 1995	<u>81,107</u>	<u>83,503</u>	<u>95,812</u>	<u>260,422</u>
Net book amount:				
At 31 March 1994	<u>85,483</u>	<u>71,963</u>	<u>81,767</u>	<u>239,213</u>

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

7 TANGIBLE ASSETS (Continued)

Assets capitalised and held under finance leases included within fixtures fittings tools and equipment above:

	<u>At 31 March 1995</u>	<u>At 31 March 1994</u>
	£	£
Cost	55,762	39,477
Depreciation	<u>(19,047)</u>	<u>(7,895)</u>
Net book amount	<u>36,715</u>	<u>31,582</u>

The leasehold land and buildings were revalued at £80,000 in 1983 at open market value on the basis of existing use by Young and White, Chartered Surveyors (note 14) and this valuation is included in the accounts.

If the leasehold land and buildings had not been revalued, the amounts included above would be as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Cost	66,864	66,864
Depreciation	<u>(24,382)</u>	<u>(22,376)</u>
Net book amount	<u>42,482</u>	<u>44,488</u>

There were no capital commitments at 31 March 1995 (1994: £Nil).

8 STOCKS

	<u>1995</u>	<u>1994</u>
	£	£
Raw materials	295,040	278,655
Work in progress	279,847	163,828
Finished goods	<u>271,373</u>	<u>227,398</u>
	<u>846,260</u>	<u>669,881</u>

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

9 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	993,299	1,167,680
Amounts owed by group undertakings	489,653	416,943
Other debtors	1,452	4,441
Prepayments and accrued income	<u>46,196</u>	<u>106,916</u>
	<u>1,530,600</u>	<u>1,695,980</u>

10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans and overdraft	562,397	523,491
Other loans	6,731	6,731
Finance lease creditor	14,907	7,896
Trade creditors	493,619	526,428
Corporation tax	35,766	108,731
Other tax and social security	67,251	89,090
Accruals	61,241	203,863
Amounts owed to parent undertaking	<u>552,643</u>	<u>401,137</u>
	<u>1,794,555</u>	<u>1,867,367</u>

No amounts are due after more than five years. The bank loans and overdraft are secured by charges on the assets of the company. The other loan and finance lease creditor are secured on the computer equipment included within 'fixtures, fittings, tools and equipment'.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Loan	15,705	22,435
Finance lease creditor	<u>26,096</u>	<u>26,318</u>
	<u>41,801</u>	<u>48,753</u>

Details of security are given in note 10 to these accounts.

No amounts are repayable after five years.

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

12 PROVISION FOR LIABILITIES AND CHARGES

The provision for liabilities and charges represents the full potential liability for deferred taxation.

Movements on deferred taxation during the year were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Balance at beginning of year	9,470	3,579
Profit and loss account (note 5)	<u>6,645</u>	<u>5,891</u>
Balance at end of year	<u>16,115</u>	<u>9,470</u>
Deferred taxation is in respect of:		
Accelerated capital allowances	<u>16,115</u>	<u>9,470</u>

13 CALLED UP SHARE CAPITAL

	Authorised, allotted and fully paid	
	<u>1995</u>	<u>1994</u>
	£	£
1,000 ordinary shares of £1 each	1,000	1,000
1,000 deferred ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>2,000</u>	<u>2,000</u>

14 REVALUATION RESERVE

	Non distributable	
	£	£
At 31 March 1994 and at 31 March 1995	<u>22,848</u>	<u>22,848</u>

The revaluation reserve is in respect of the leasehold property which is held in the accounts at its 1983 valuation (note 7). No provision has been made for the potential capital gains taxation payable in the event of the leasehold property being sold at the revalued amount at which it appears in the accounts because, in the opinion of the directors, this potential liability will not crystallise in the foreseeable future.

CREWSAVER LIMITED**NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)****15 PROFIT AND LOSS ACCOUNT**

	£
At 31 March 1994	657,522
Amount transferred to reserves	<u>105,831</u>
At 31 March 1995	<u>763,353</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	257,337	309,863
Dividends	<u>(151,506)</u>	<u>(651,137)</u>
Net addition to (reduction of) shareholders' funds	105,831	(341,274)
Opening shareholders' funds	<u>682,370</u>	<u>1,023,644</u>
Closing shareholders' funds	<u>788,201</u>	<u>682,370</u>

17 OPERATING LEASES

	<u>1995</u>	<u>1994</u>
	£	£
Annual operating lease commitment on land and buildings which expires after more than five years	<u>26,600</u>	<u>26,600</u>
Other operating leases		
Annual commitments which expire:		
Under one year		6,169
In the second to fifth year inclusive		36,515
In more than five years		<u>154</u>
		<u>42,838</u>

18 COMPANY PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £72,363 (1994: £70,872).

CREWSAVER LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (Continued)

19 CONTINGENT LIABILITIES

The company has given an unlimited guarantee in favour of its parent undertaking, Crewsaver Holdings Limited and its fellow subsidiary, Marlin Leisure Limited.

20 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Crewsaver Holdings Limited, a company registered in England. Copies of the group accounts can be obtained from Crewsaver Holdings Limited, Mumby Road, Gosport, Hampshire, PO12 1AQ.

21 CASH FLOW STATEMENT

The company has taken advantage of the exemption granted by Financial Reporting Standard 1 whereby it is not required to publish its own cash flow statement.