

**CREWSAVER HOLDINGS LIMITED**

**FINANCIAL STATEMENTS**

**for the fifty-two weeks ended  
30 August 1998**

**KIDSONS IMPEY**

**Chartered Accountants**

**HULL**



**CREWSAVER HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 AUGUST 1998**

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The following page does not form part of the statutory accounts

Detailed profit and loss account	Appendix 1
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# CREWSAVER HOLDINGS LIMITED

## Directors

F.W. Wood (Chairman)  
A.J. Richards (Managing)  
P.A. Bradbury  
C.J. Hedger  
M.J. Whitcombe

## DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the fifty-two weeks ended 30 August 1998 ("the year").

### Business review

The principal activity of the company continues to be that of a holding company.

Details of the subsidiary undertakings are shown in note 5 to the financial statements.

The results for the year are shown in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend for the year.

As part of a group restructuring, the trading operations of the company's subsidiary operations were transferred to Cosalt International Limited, a fellow subsidiary undertaking, with effect from the start of business on 31 August 1998.

### Directors

The membership of the Board is shown above. All served on the Board for the whole of the financial year, with the exception of Mr. A.J. Richards who was appointed on 24 July 1998. In addition, Mr. R.V. Estcourt served on the Board during the year until his resignation on 24 July 1998.

Mr. A.J. Richards retires at the Annual General Meeting and, being eligible, offers himself for re-election. Mr. M.J. Whitcombe retires by rotation and, being eligible, offers himself for re-election.

### Directors' shareholdings

None of the directors has any beneficial interest in the share capital of the company.

The interest of Mr. F.W. Wood in the share capital of Cosalt plc, the ultimate parent company, is disclosed by that company. The interests of the other directors in the ordinary share capital of Cosalt plc are as follows:

	At 30 August 1998	At 1 September 1997 (or date of appointment if later)
A.J. Richards	-	-
P.A. Bradbury	1,724	1,316
C.J. Hedger	-	4,749
M.J. Whitcombe	-	2,250

These holdings include shares issued under the Cosalt plc Employees' Profit Sharing Scheme.

## CREWSAVER HOLDINGS LIMITED

## DIRECTORS' REPORT

(continued)

## Directors' shareholdings (continued)

Mr. P.A. Bradbury also held options to purchase Cosalt plc ordinary shares under the various Cosalt plc Executive Share Option Schemes as follows:

At 1 September 1997	Granted during year	At 30 August 1998	Exercise price	Dates from which exercisable	Expiry date
8,000	-	8,000	164p	17.12.95	16.12.02
8,000	-	8,000	111.70p	22.12.96	21.12.03
10,000	-	10,000	140p	15.12.97	14.12.04
10,000	-	10,000	219.50p	17.02.00*	16.02.04
<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>232.50p</u>	<u>23.12.00*</u>	<u>22.12.04</u>
<u>36,000</u>	<u>10,000</u>	<u>46,000</u>			

\* Performance criteria must be met before exercise permitted.

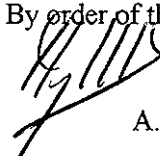
No options lapsed during the year. No options were exercised during the year.

The market price of Cosalt plc ordinary shares at 30 August 1998 was 197.50p and the range during the year was 196.50p to 277.50p.

## Auditors

The auditors, Messrs. Kidsons Impey, Chartered Accountants, have intimated their willingness to continue in office.

By order of the Board



A.B. Clark

Secretary

Fish Dock Road,  
Grimsby.

23 November 1998

**CREWSAVER HOLDINGS LIMITED****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 at the end of the year, 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 assume 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 of fraud and other irregularities.

**CREWSAVER HOLDINGS LIMITED****REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 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 financial statements and to report our opinion to you.

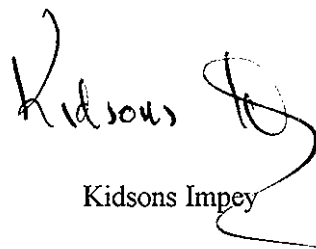
**Basis of opinion**

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 30 August 1998 and of its results for the fifty-two weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey

Registered Auditors  
Chartered Accountants

Hull: 23 November 1998

## CREWSAVER HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE FIFTY-TWO WEEKS ENDED 30 AUGUST 1998

	Note	52 weeks ended 30 August 1998 £	52 weeks ended 31 August 1997 £
Other external charges		(1,366)	(3,470)
Provision for bad debts		(448,000)	-
Amount written off investments		(265,566)	(318,000)
Interest payable	2	—	(897)
Loss on ordinary activities before taxation		(714,932)	(322,367)
Taxation on ordinary activities	4	<u>500</u>	<u>1,600</u>
Transferred from reserves	9	<u>(714,432)</u>	<u>(320,767)</u>

All operations are classed as continuing.

The company has no recognised gains or losses other than the results for the years disclosed above; accordingly, a statement of recognised gains and losses has not been included in these financial statements.

The notes on pages 7 to 10 form part of these financial statements.

## CREWSAVER HOLDINGS LIMITED

## BALANCE SHEET - 30 AUGUST 1998

	Note	30 August 1998		31 August 1997	
		£	£	£	£
<b>Fixed assets</b>					
Investments	5		171,379		436,945
<b>Current assets</b>					
Debtors	6	1,370,894		1,885,900	
<b>Creditors</b>					
Amounts falling due within one year	7	<u>2,027,080</u>		<u>2,093,220</u>	
<b>Net current liabilities</b>			(656,186)		(207,320)
<b>Net (liabilities)/assets</b>			(484,807)		<u>229,625</u>
<b>Capital and reserves</b>					
Called up share capital	8		127,378		127,378
Share premium account	9		181,753		181,753
Capital redemption reserve	9		240,789		240,789
Profit and loss account	9		(1,034,727)		(320,295)
<b>Shareholders' funds - (adverse)</b>					
(including non- equity interests)	9		(484,807)		<u>229,625</u>

Approved by the Board on 23 November 1998.

F.W. Wood - Director





## CREWSAVER HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

## 1 Accounting policies

## Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds it is a wholly owned subsidiary undertaking of a parent undertaking which publishes a consolidated cash flow statement.

## Subsidiary undertakings

Group financial statements are not prepared for the company and its subsidiary undertakings by virtue of S.228 of the Companies Act 1985.

## 2 Interest payable

	1998 £	1997 £
On bank borrowings	<u>-</u>	<u>897</u>

## 3 Directors and employees

None of the directors received any remuneration from the company. The remuneration of the directors, as directors of the company's subsidiary undertakings, were:

	1998 £	1997 £
Aggregate emoluments, including pension contributions:		
For management of subsidiary undertakings	166,321	188,873
Compensation for loss of office	<u>30,000</u>	<u>-</u>
	<u>196,321</u>	<u>188,873</u>

	£	£
Pension contributions to money purchase pension schemes included above are:	<u>19,031</u>	<u>24,234</u>

	Number	Number
The number of directors accruing benefits under pension schemes in respect of qualifying services was:		
Money purchase schemes	2	3
Defined benefit schemes	3	2

The number of directors exercising share options in respect of Cosalt plc shares during the year was:	-	2
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The number of directors granted share options in respect of Cosalt plc shares during the year was:	2	2
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## CREWSAVER HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

## 4 Taxation

	1998	1997
	£	£
The taxation credit based on the loss on ordinary activities is:		
Group taxation relief recoverable at 31% (1997 - 32.16%)	<u>500</u>	<u>1,600</u>

## 5 Investments

	1998	1997
	£	£
Shares in subsidiary undertakings		
At cost	1,254,945	1,254,945
Less amounts written off	<u>1,083,566</u>	<u>818,000</u>
	<u>171,379</u>	<u>436,945</u>

The company owns the whole of the issued share capital of Crewsaver Limited and Marlin Leisure Limited, both of which are incorporated and registered in England. Throughout the year the principal activity of Crewsaver Limited was the manufacture of marine safety equipment and the principal activity of Marlin Leisure Limited was the manufacture of wetsuits and marine clothing products and their results and aggregate shareholders' funds are:

	(Loss)/profit for the 52 weeks ended 30 August 1998 £	Capital and reserves at 30 August 1998 £
Crewsaver Limited	(191,116)	(448,506)
Marlin Leisure Limited	229,477	171,379

## 6 Debtors

	1998	1997
	£	£
Amounts falling due within one year:		
Amounts due from subsidiary undertakings, less provisions	1,370,300	1,818,300
Group taxation relief recoverable	<u>594</u>	<u>67,600</u>
	<u>1,370,894</u>	<u>1,885,900</u>

## 7 Creditors

	1998	1997
	£	£
Amounts falling due within one year:		
Bank overdraft	-	843,220
Amount owed to ultimate parent company	1,769,682	1,000,000
Amounts owed to subsidiary undertakings	250,000	250,000
Corporation tax	<u>7,398</u>	<u>-</u>
	<u>2,027,080</u>	<u>2,093,220</u>

## CREWSAVER HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

## 8 Called up share capital

	Authorised		Issued and fully paid	
	1998	1997	1998	1997
	£	£	£	£
Ordinary shares of £1 each	71,750	71,750	71,750	71,750
'A' ordinary shares of £1 each	68,936	68,936	54,128	54,128
Redeemable preference shares of 1p each	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
	<u>142,186</u>	<u>142,186</u>	<u>127,378</u>	<u>127,378</u>

Redeemable preference shareholders (non-equity interests) have the following rights:

- (i) In priority to other shareholders, to a fixed cumulative preference dividend of 9p per share per annum;
- (ii) On a return of capital on a winding up, will carry the right to repayment of capital together with a sum equal to any arrears of dividend in priority to the rights of other shareholders;
- (iii) To receive notices of meetings, but are not entitled to vote at general meetings of the company.

The preference shareholders have the option to purchase 14,808 'A' ordinary shares at par until 31 December 1999 when all preference shares will be redeemed at par in three equal annual instalments commencing on 31 December 1999.

'A' ordinary shareholders have the right to convert their shares into ordinary shares at any time.

## 9 Reserves

## Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Loss for the financial year and net reduction in shareholders' funds	(714,432)	(320,767)
Opening shareholders' funds	<u>229,625</u>	<u>550,392</u>
Closing shareholders' funds - (adverse)	<u>(484,807)</u>	<u>229,625</u>
Shareholders' funds include the following non-equity interests:		
Redeemable preference shares of 1p each, including premium	<u>150,000</u>	<u>150,000</u>

Details of the rights attaching to these shares are shown in note 8.

## CREWSAVER HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

## 9 Reserves (continued)

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 September 1997	181,753	240,789	(320,295)	102,247
Loss for the year	<u>-</u>	<u>-</u>	<u>(714,432)</u>	<u>(714,432)</u>
Balance at 30 August 1998	<u>181,753</u>	<u>240,789</u>	<u>(1,034,727)</u>	<u>(612,185)</u>

## 10 Related party transactions

The company has taken advantage of the exemption from disclosing related party transactions with other group companies as permitted by Financial Reporting Standard 8 as the consolidated financial statements in which the company is included are publicly available.

## 11 Ultimate parent company

The ultimate parent company is Cosalt plc, which is incorporated in England.