

Company registration number 06776129 (England and Wales)

**SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**PAGES FOR FILING WITH REGISTRAR**

# **SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

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# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	4		1,094,440		1,081,244
<b>Current assets</b>					
Stocks		751,795		579,031	
Debtors	5	696,144		909,566	
Cash at bank and in hand		100,999		286,686	
		<u>1,548,938</u>		<u>1,775,283</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(192,635)</u>		<u>(324,348)</u>	
<b>Net current assets</b>			1,356,303		1,450,935
<b>Total assets less current liabilities</b>			<u>2,450,743</u>		<u>2,532,179</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(519,857)		(541,668)
<b>Provisions for liabilities</b>	9		<u>(77,437)</u>		<u>(69,142)</u>
<b>Net assets</b>			<u><u>1,853,449</u></u>		<u><u>1,921,369</u></u>
<b>Capital and reserves</b>					
Called up share capital			200		200
Share premium account			50,000		50,000
Revaluation reserve			143,671		94,607
Profit and loss reserves			<u>1,659,578</u>		<u>1,776,562</u>
<b>Total equity</b>			<u><u>1,853,449</u></u>		<u><u>1,921,369</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A small entities.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

B W P Kerfoot  
Director

Company Registration No. 06776129

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 October 2019</b>	200	50,000	94,607	1,725,890	1,870,697
<b>Year ended 30 September 2020:</b>					
Profit and total comprehensive income for the year	-	-	-	50,672	50,672
<b>Balance at 30 September 2020</b>	200	50,000	94,607	1,776,562	1,921,369
<b>Year ended 30 September 2021:</b>					
Loss for the year	-	-	-	(116,984)	(116,984)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	60,573	-	60,573
Tax relating to other comprehensive income	-	-	(11,509)	-	(11,509)
Total comprehensive income for the year	-	-	49,064	(116,984)	(67,920)
<b>Balance at 30 September 2021</b>	200	50,000	143,671	1,659,578	1,853,449

# **SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Specialised Inflatable Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is Riverbank Road, Bromborough, Wirral, CH62 3JQ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The directors have produced financial forecasts to the end of September 2023 which predict a net outflow of cash over the period concerned which may well require a bank overdraft as a source of working capital. Should this need arise, the parent company Marine Specialised Technology Limited has given an undertaking to provide financial support to enable Specialised Inflatable Technology Limited to meet its obligations as they fall due.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services provided during the period net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Land and buildings	2% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Computer equipment	33.3% straight line
Motor vehicles	25% reducing balance
Moulds	10% straight line

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Work in progress represents work carried out at the year end that is not considered billable due to the terms of the contracts under which this work is undertaken. Work in progress is valued on the basis of direct costs. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# **SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.11 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

The company has an obligation to provide a warranty on boat sales for a period of up to two years from the date of sale, the provision is based on between 1% and 2.5% of turnover.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **1.17 Group relief**

The financial statements have been prepared on the assumption that group relief will be used to facilitate the transfer of corporation tax losses between companies in the group. No compensation is made in respect of any loss relief between companies.



## **SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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#### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Total	29	37
	<b>=====</b>	<b>=====</b>

#### **3 Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Adjustments in respect of prior periods	-	187
	<b>=====</b>	<b>=====</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,214)	4,616
	<b>=====</b>	<b>=====</b>
Total tax (credit)/charge	(3,214)	4,803
	<b>=====</b>	<b>=====</b>

Tax losses totalling £73,101 (2020 - £nil) are available to carry forward against future profits of the same trade. No deferred tax asset has been provided in respect of those losses as recovery is uncertain.

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 October 2020	1,061,642	290,123	1,351,765
Additions	-	16,881	16,881
Revaluation	10,000	-	10,000
Adjustment re earlier year revaluations	(71,642)	-	(71,642)
At 30 September 2021	1,000,000	307,004	1,307,004
<b>Depreciation and impairment</b>			
At 1 October 2020	100,579	169,942	270,521
Depreciation charged in the year	30,184	34,074	64,258
Eliminated on revaluation	(122,215)	-	(122,215)
At 30 September 2021	8,548	204,016	212,564
<b>Carrying amount</b>			
At 30 September 2021	991,452	102,988	1,094,440
At 30 September 2020	961,063	120,181	1,081,244

Freehold Land and buildings were revalued at £1m on 27 April 2021 by Lambert Smith Hampton, independent valuers (not connected with the company) on the basis of market value. The valuation conformed to the Royal Institution of Chartered Surveyors (RICS) Valuation Guidance Standards - Red Book Global Standards.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2021 £	2020 £
Cost	944,843	944,843
Accumulated depreciation	(115,133)	(96,236)
Carrying value	829,710	848,607

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

<b>5 Debtors</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	161,365	260,244
Amounts owed by group undertakings	498,204	599,100
Other debtors	36,575	50,222
	<u>696,144</u>	<u>909,566</u>

<b>6 Creditors: amounts falling due within one year</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	28,172	33,900
Trade creditors	112,230	172,255
Taxation and social security	13,370	14,892
Other creditors	38,863	103,301
	<u>192,635</u>	<u>324,348</u>

<b>7 Loans and overdrafts</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	548,029	575,568
	<u>548,029</u>	<u>575,568</u>
Payable within one year	28,172	33,900
Payable after one year	519,857	541,668
	<u>548,029</u>	<u>575,568</u>

This loan is secured by a fixed legal charge over the company's property and by a floating charge over all property or undertaking of the company.

<b>8 Creditors: amounts falling due after more than one year</b>			
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
Bank loans and overdrafts	7	519,857	541,668
		<u>519,857</u>	<u>541,668</u>

# SPECIALISED INFLATABLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 8 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	5,627	-
Payable other than by instalments	384,708	-
	<u>390,335</u>	<u>-</u>

### 9 Provisions for liabilities

	2021 £	2020 £
Warranty provision	25,000	25,000
Deferred tax liabilities	52,437	44,142
	<u>77,437</u>	<u>69,142</u>

Movements on provisions apart from deferred tax liabilities:

	Warranty provision £
At 1 October 2020	25,000
Additional provisions in the year	2,868
Utilisation of provision	(2,868)
At 30 September 2021	<u>25,000</u>

### 10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	18,736	21,950
Revaluations	33,701	22,192
	<u>52,437</u>	<u>44,142</u>

## **SPECIALISED INFLATABLE TECHNOLOGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>10</b>	<b>Deferred taxation</b>	<b>(Continued)</b>
		<b>2021</b>
	<b>Movements in the year:</b>	<b>£</b>
	Net liability at 1 October 2020	44,142
	Credit to profit or loss	(3,214)
	Charge to other comprehensive income	11,509
		<hr/>
	Net liability at 30 September 2021	52,437
		<hr/>

#### **11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Taaffe FCA CTA DChA and the auditor was BWM.

#### **12 Financial commitments, guarantees and contingent liabilities**

A cross-guarantee in respect of bank borrowings is in place between the company, its fellow subsidiary undertaking MST Special Products Limited and its parent undertaking Marine Specialised Technology Limited.

#### **13 Related party transactions**

##### **Transactions with related parties**

The company has taken advantage of the disclosure exemptions to which it is entitled regarding transactions with its parent, subsidiary and other 100% owned subsidiary companies within the group.

#### **14 Parent company**

The Company's immediate and ultimate controlling party is Marine Specialised Technology Limited, which is incorporated in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.