

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)REPORT OF THE DIRECTORS

The Directors submit their Annual Report together with the Audited Accounts of the Company for the year ended 31st December 1982.

ACCOUNTS AND DIVIDENDS

The results of the year and dividend is shown by the Profit and Loss Account on Page 2.

ACTIVITIES

The principal activities of the Parent Company and a Subsidiary continue to be operating passenger transport on inland waterways and to build, repair and hire boats. A further Subsidiary Company continues to cater for meals and refreshments for the passengers of the Parent Company.

STATE OF THE COMPANIES' AFFAIRS

As at 31st December 1982 the Directors consider that the state of the Companies affairs was satisfactory, and in their opinion the market value of the Freehold Property is considerably in excess of cost as stated in the Balance Sheet.

TURNOVER

The Turnover of the Group for the year amounted to £525759 (1981 - £556617). Exports during the year amounted to £4200 (1981 - £3500).

DIRECTORS

The Directors, all of whom served on the Board throughout the year, are listed below together with details of their interests in the shares of the Company.

|                   | <u>Ordinary Shares</u> |                    |
|-------------------|------------------------|--------------------|
|                   | <u>At 1.1.82</u>       | <u>At 31.12.82</u> |
| Mr. A.A. Salter   | 12534                  | 12534              |
| Mrs. D.E. Sackett | 3113                   | 3113               |
| Mr. J.S.E. Salter | 5500                   | 5500               |

AUDITORS

The Auditors, Messrs. Critchley, Ward and Pigott, Chartered Accountants, have indicated their willingness to remain in office and offer themselves for re-appointment at the Annual General Meeting.

BY ORDER OF THE BOARD

R.S. TANNER  
Secretary

7th February 1984



SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1982

|  | <u>Notes</u> | £ <u>1982</u> | £       | £ <u>1981</u> | £       |
|--|--------------|---------------|---------|---------------|---------|
| <u>TURNOVER</u> (Excluding Rents received<br>£12465) (1981 - £11189) |              |               | 525759  |               | 556617  |
|  |              |               | 2522    |               | (11453) |
| <u>OPERATING PROFIT/(LOSS)</u>                                       |              |               |         |               |         |
| After Charging the following:  |              |               |         |               |         |
| Directors' Remuneration  | 2.           | 12865         |         | 12740         |         |
| Loan and Bank Overdraft Interest                                     |              | 43875         |         | 31785         |         |
| Interest on Mortgage Loans -<br>Over 5 years                         |              | 3072          |         | 3384          |         |
| Depreciation   |              | 29680         |         | 29530         |         |
| Auditors' Remuneration   |              | 1250          |         | 1040          |         |
|  |              |               |         |               |         |
| Profit on Sale of Freehold Property                                  |              |               | 12798   |               | -       |
| Deferred Tax provision no longer required                            |              |               | 2118    |               | 14565   |
|  |              |               | 17438   |               | 3112    |
| <u>PROFIT AFTER TAXATION</u>   |              |               |         |               |         |
| <u>LESS</u> Appropriations:  |              |               |         |               |         |
| Dividend payable (25.0% - 1981 25.0%)                                |              | 10352         |         | 10352         |         |
| A.C.T. due on 1982 Dividends   |              | 4437          | 14789   | 4437          | 14789   |
|  |              |               | 2649    |               | (11677) |
|  |              |               |         |               |         |
| Unappropriated Profits at 1st January 1982                           |              |               | 62898   | 59275         |         |
| Prior Year Adjustment)   |              |               | -       | 15300         | 74575   |
|  |              |               |         |               |         |
|  |              |               | £ 65547 |               | £ 62898 |

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)  
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1982

|   | Notes | £      | 1982    | £      | 1981    | £ |
|---|-------|--------|---------|--------|---------|---|
| <u>FIXED ASSETS</u>   | 4.    |        |         |        |         |   |
| Freehold Property at cost   |       | 282528 |         | 104287 |         |   |
| Furniture and Fittings  |       | 2692   |         | 2722   |         |   |
| Plant and Equipment   |       | 12831  |         | 13467  |         |   |
| Motor Launches, Houseboats and<br>Furnishings                                   |       | 234354 |         | 254083 |         |   |
| Motor Vehicles  |       | 13794  |         | 18391  |         |   |
|   |       |        | 546199  |        | 392950  |   |
| <u>UNQUOTED INVESTMENTS</u>   |       |        |         |        |         |   |
| Trade Investments at cost   |       |        | 11      |        | 11      |   |
|   |       |        | 546210  |        | 392961  |   |
| <u>LESS CURRENT LIABILITIES LESS ASSETS</u>                                     |       |        |         |        |         |   |
| Trade Creditors and Accrued Charges   |       | 96417  |         | 101087 |         |   |
| Dividend Payable)   |       | -      |         | 10352  |         |   |
| Hire Purchase Liabilities   |       | 26281  |         | 37370  |         |   |
| Bank Overdraft (Secured)  |       | 332022 |         | 242304 |         |   |
| Directors' Bonuses and Fees   |       | 1380   |         | 1580   |         |   |
|   |       | 456100 |         | 392693 |         |   |
| <u>LESS</u> Stock and Work in Progress  |       | 180465 |         | 127956 |         |   |
| Debtors and Prepayments   |       | 27572  |         | 31354  |         |   |
| Cash in Hand  |       | 203    |         | 289    |         |   |
|   |       | 208240 |         | 159599 |         |   |
|   |       |        | 247860  |        | 233094  |   |
|   |       |        | £298350 |        | £159867 |   |
| <u>FINANCED BY:</u>   |       |        |         |        |         |   |
| <u>SHARE CAPITAL</u> - Ordinary Shares of £1 each<br>(Authorised: 50000 Shares) |       |        | 41410   |        | 41410   |   |
| <u>PROFIT AND LOSS ACCOUNT</u>  |       |        | 65547   |        | 62898   |   |
|   |       |        | 105957  |        | 104308  |   |
| <u>LESS GOODWILL ARISING ON CONSOLIDATION</u>                                   |       |        | 2600    |        | 2600    |   |
|   |       |        | 104357  |        | 101708  |   |
| <u>DEFERRED TAXATION ACCOUNT</u>  | 5.    |        | 34317   |        | 36435   |   |
| <u>MORTGAGE LOANS (SECURED)</u>   | 8.    |        | 14676   |        | 21724   |   |
| <u>DEVELOPMENT LAND (SECURED)</u>   | 9.    |        | 145000  |        | -       |   |
|   |       |        | £298350 |        | £159867 |   |

A.A. SALTER

J.S.E. SALTER

) DIRECTORS

SALTER BROS. LIMITEDBALANCE SHEET AS AT 31ST DECEMBER 1982

|   | Notes | £             | 1982           | £             | 1981           | £ |
|---|-------|---------------|----------------|---------------|----------------|---|
| <u>FIXED ASSETS</u>                             | 4.    |               |                |               |                |   |
| Freehold Property at cost                       |       | 281323        |                | 103082        |                |   |
| Furniture and Fittings                          |       | 2425          |                | 2425          |                |   |
| Plant and Equipment                             |       | 12831         |                | 13467         |                |   |
| Motor Launches, Houseboats and<br>Furnishings   |       | 202453        |                | 229105        |                |   |
| Motor Vehicles                                  |       | <u>13544</u>  | 512576         | <u>18058</u>  | 366137         |   |
| <u>UNQUOTED INVESTMENTS</u>                     |       |               |                |               |                |   |
| Trade Investments at cost                       |       | 11            |                | 11            |                |   |
| Subsidiary Companies:                           | 7.    |               |                |               |                |   |
| Thames Catering Co. Ltd.                        |       | 1681          |                | 1681          |                |   |
| 1398 Ordinary Shares 5p. paid                   |       |               |                |               |                |   |
| Friston Narrowboats Ltd.                        |       | <u>1089</u>   | 2781           | <u>1089</u>   | 2781           |   |
| 99 Ordinary £1 shares                           |       |               |                |               |                |   |
|   |       |               | <u>512576</u>  |               | <u>368918</u>  |   |
| <u>LESS CURRENT LIABILITIES LESS ASSETS</u>     |       |               |                |               |                |   |
| Trade Creditors and Accrued Charges             |       | 74598         |                | 79361         |                |   |
| Dividend Payable)                               |       | -             |                | 10352         |                |   |
| Advance Corporation Tax                         |       | 18137         |                | 13700         |                |   |
| Due to Subsidiary Companies                     |       | 20270         |                | 20168         |                |   |
| Hire Purchase Liability                         |       | 3493          |                | 19569         |                |   |
| Bank Overdraft (Secured)                        |       | 301992        |                | 217806        |                |   |
| Directors Bonuses and Fees                      |       | <u>1380</u>   |                | <u>1580</u>   |                |   |
|   |       | <u>419870</u> |                | <u>362536</u> |                |   |
| <u>LESS</u> Stock and Work in Progress          |       | 179111        |                | 125485        |                |   |
| Debtors and Prepayments                         |       | 23740         |                | 29080         |                |   |
| Cash in Hand                                    |       | <u>190</u>    |                | <u>227</u>    |                |   |
|   |       | <u>203041</u> |                | <u>154792</u> |                |   |
|   |       |               | 216829         |               | 207744         |   |
|   |       |               | <u>£298528</u> |               | <u>£161174</u> |   |
| <u>FINANCED BY:</u>                             |       |               |                |               |                |   |
| <u>SHARE CAPITAL</u> Ordinary Shares of £1 each |       |               |                |               |                |   |
| Authorised - 50000 Shares                       |       |               |                |               |                |   |
| Issued and Fully Paid - 41410 Shares            |       |               | 41410          |               | 41410          |   |
| <u>PROFIT AND LOSS ACCOUNT</u>                  |       |               | 63125          |               | 61605          |   |
|   |       |               | 104535         |               | 103015         |   |
| <u>DEFERRED TAXATION ACCOUNT</u>                | 5.    |               | 34317          |               | 36435          |   |
| <u>MORTGAGE LOANS (SECURED)</u>                 | 8.    |               | 14676          |               | 21724          |   |
| <u>DEVELOPMENT LOAN (SECURED)</u>               | 9.    |               | 145000         |               | -              |   |
|   |       |               | <u>£298528</u> |               | <u>£161174</u> |   |

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)NOTES TO AND FORMING PART OF THESE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 19821. STATEMENT OF ACCOUNTING POLICIES

The following are the main accounting policies of the Group:

a) Historical Cost Convention

These accounts have been prepared under the historical cost convention which takes no account of inflation.

b) Turnover

Turnover is the total amount receivable by the Group in the ordinary course of business to outside customers for goods supplied and services provided.

c) Depreciation is calculated on the reducing balance method and aims to write down the cost of all assets over their expected useful lives:-

|   |                                     |
|---|-------------------------------------|
| Sawmill Plant and Equipment                   | 5%                                  |
| Motor Launches, Houseboats and<br>Furnishings | 15%                                 |
| Cruisers and Canal Boats                      | 10% (except in year of acquisition) |
| Motor Vehicles                                | 25%                                 |

Statement of Standard Accounting Practice No. 12 states that a provision for depreciation on buildings should also be made. However, the Directors are of the opinion that it is neither appropriate nor necessary to provide depreciation on properties which are likely to appreciate in value. Therefore no such provision has been made in the accounts.

The Standard also states that the value relating to freehold properties should be split between land and buildings. The Directors consider it doubtful that this can be done on a realistic basis leaving any calculation of depreciation open to serious doubt. Therefore they are not able to accurately quantify the depreciation which would have been charged if the Standard had been applied. However, the Directors are of the opinion that the life of the buildings will be at least 50 years which based on the cost of Freehold Land and Buildings as stated in the Balance Sheet of £282528 could not give rise to a depreciation charge in excess of £6000 per annum.

d) Stock and Work in Progress

Stock and Work in Progress are stated at the lower of cost and net realisable value. In the case of stock, cost means purchase price, transport and handling costs calculated on a first in first out basis. In the case of work in progress and finished stocks, cost consists of direct materials and labour and a proportion of attributable overheads. Net realisable value means estimated selling price less all further costs to completion.

e) Deferred Taxation

The principles set out in Statement of Accounting Practice No. 15 have been adopted by the Group and no provision is made for deferred taxation in respect of stock appreciation.

The charge represents:-

The excess of the book value of those assets qualifying for taxation allowances over their written down value for taxation purposes.  
Less Taxation losses carried forward.

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)NOTES TO AND FORMING PART OF THESE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1982  
(CONTINUED)

| 2. <u>DIRECTORS' REMUNERATION</u>   | <u>1982</u><br>£    | <u>1981</u><br>£  |
|---|---------------------|-------------------|
| Directors' Fees   | 200                 | 200               |
| Directors' Remuneration for Management Services   | 12665               | 12540             |
|   | <u>£ 12865</u>      | <u>£ 12740</u>    |
| The emoluments of the highest paid Director were  | <u>£ 6520</u>       | <u>£ 6520</u>     |
| The emoluments of other Directors were in the following bands:  | <u>Number</u>       | <u>Number</u>     |
| £0 - £ 5000   | 1                   | 1                 |
| £5001 - £10000  | 1                   | 1                 |
|   | <u>1</u>            | <u>1</u>          |
| 3. <u>TAXATION</u>  |                     |                   |
| The Company is a close company as defined by Section 282 of the Income and Corporation Taxes Act 1970.  |                     |                   |
| The Directors are advised that the income of the Company does not fall to be apportioned under the provisions of Schedule 16 to the Finance Act 1972. |                     |                   |
| 4. <u>FIXED ASSETS</u> At Cost (Unless otherwise stated)  | <u>Company</u><br>£ | <u>Group</u><br>£ |
| <u>Freehold Property</u>  |                     |                   |
| As at 1st January 1982  | 103082              | 104287            |
| Additions   | 178241              | 178241            |
|   | <u>£281323</u>      | <u>£282528</u>    |
| <u>Furniture and Fittings</u>   |                     |                   |
| As at 1st January 1982  | 2425                | 11196             |
| Less Depreciation to date (1981 - £8474)  | -                   | 8504              |
|   | <u>£ 2425</u>       | <u>£ 2692</u>     |
| <u>Sawmill, Plant and Equipment</u>   |                     |                   |
| At 1946 Valuation   | 1050                | 1050              |
| At 1st January 1982   | 21515               | 21515             |
|   | 22565               | 22565             |
| Less Depreciation to date (1981 - £9098)  | 9734                | 9734              |
|   | <u>£ 12831</u>      | <u>£ 12831</u>    |
| <u>Motor Launches, Houseboats and Furnishings</u>   |                     |                   |
| At 1946 Valuation   | 4907                | 4907              |
| At 1st January 1982   | 327701              | 358529            |
| Additions   | 12000               | 30946             |
| Sales   | (26326)             | (35576)           |
|   | 318282              | 358806            |
| Less Depreciation to date (1981 - £103503)  | 115829              | 124452            |
|   | <u>£202453</u>      | <u>£234354</u>    |
| <u>Motor Vehicles</u>   |                     |                   |
| As at 1st January 1982  | 36753               | 38153             |
| Less Depreciation to date (1981 - £18695)   | 23209               | 24359             |
|   | <u>£ 13544</u>      | <u>£ 13794</u>    |

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)

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NOTES TO AND FORMING PART OF THESE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1982  
(CONTINUED)

5. DEFERRED TAXATION

|  | <u>1982</u>    | <u>1981</u>    |
|--|----------------|----------------|
|  | £              | £              |
| Amounts required at current rates to provide for taxation deferred by: |                |                |
| Accumulated Capital Allowances   | 82420          | 98155          |
| Corporation Tax Losses carried forward                                 | (48103)        | (61720)        |
|  | <u>£ 34317</u> | <u>£ 36435</u> |

6. CONTINGENT LIABILITIES

The parent company has a contingent liability of £1328, being the amount uncalled on the 1398 shares in Thames Catering Company Limited.

The parent company has guaranteed the bank overdraft of Thames Catering Company Limited up to a limit of £30000.

7. SUBSIDIARY COMPANIES

The parent company holds 1398 of the 1400 ordinary shares issued in its subsidiary company Thames Catering Company Limited and 99 of the 100 ordinary shares issued in Friston Narrowboats Limited.

8. MORTGAGE LOANS

These are repayable by equal monthly instalments and bear interests at a variable rate and are payable to a Building Society.

|                               | <u>Company and Group</u> | <u>Company and Group</u> |
|-------------------------------|--------------------------|--------------------------|
|                               | <u>1982</u>              | <u>1981</u>              |
|                               | £                        | £                        |
| Repayable over a minimum of:- |                          |                          |
| 8 years                       | 1895                     | 2058                     |
| 6 years                       | 4883                     | 5287                     |
| 10 years                      | -                        | 6172                     |
| 14 years                      | 7898                     | 8207                     |
|                               | <u>£14676</u>            | <u>£21724</u>            |

9. DEVELOPMENT LOAN

The Development Loan of £145000 is repayable over 10 years by monthly instalments to National Westminster Bank PLC, interest being charged at 7½% per annum on the original sum advanced by the Bank.

10. These accounts have been prepared in accordance with Section 152A of and Schedule 8A to the 1948 Companies Act.
11. The financial statements were approved by the Directors on 24th January 1984.

SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)SOURCES AND USES OF FUNDS STATEMENT

|  | <u>1982</u><br>£ | <u>1981</u><br>£ |
|--|------------------|------------------|
| <u>NET PROFIT/(LOSS) PER ACCOUNTS</u>  | 2522             | (11453)          |
| <u>ADD</u> Items charged in Accounts not involving the movement of funds:          |                  |                  |
| Depreciation and Loss on Sale  | 32396            | 29530            |
|  | <u>34918</u>     | <u>18077</u>     |
| <u>LESS</u> Revenue Items included in Account not involving the movement of funds: |                  |                  |
| Profit on Sale of Boats  | 27156            | 11133            |
| Profit on Sale of Motor Vehicles)  | <u>-</u>         | <u>212</u>       |
|  | 27156            | 11345            |
| <u>TOTAL FUNDS GENERATED BY TRADING OPERATIONS</u>                                 | <u>7762</u>      | <u>6732</u>      |
| <u>ADD CAPITAL REVENUE</u>   |                  |                  |
| Sales of Boats   | 50698            | 33724            |
| Sale of Freehold Property  | 22905            | -                |
| Sales of Motor Vehicles)   | -                | 270              |
| Development Loan   | <u>145000</u>    | <u>-</u>         |
|  | 218603           | 33994            |
|  | <u>226365</u>    | <u>40726</u>     |
| <u>LESS APPLICATION OF FUNDS</u>   |                  |                  |
| Additions to Freehold Property   | 178241           | 3904             |
| Purchase of Plant)   | -                | 235              |
| Purchase of Boats  | 49892            | 48300            |
| Purchase of Motor Vehicles)  | -                | 4085             |
| Dividends Paid   | 20704            | -                |
| Repayment of Loans   | 7048             | 1063             |
| Investment in Subsidiary Company)  | <u>-</u>         | <u>1336</u>      |
|  | 255885           | 58923            |
|  | <u>£(29520)</u>  | <u>£(18197)</u>  |
| <u>INCREASE/DECREASE IN WORKING CAPITAL</u>  |                  |                  |
| Increase in Stock  | 52509            | 7647             |
| Decrease in Debtors  | ( 3782)          | 1312             |
| Decrease in Creditors  | 468              | (19346)          |
| Decrease in Hire Purchase Liabilities  | 11089            | 37052            |
|  | <u>60284</u>     | <u>26665</u>     |
| Decrease in Net Liquid Funds   | <u>(89804)</u>   | <u>(44862)</u>   |
|  | <u>£(29520)</u>  | <u>£(18197)</u>  |



SALTER BROS. LIMITED (AND SUBSIDIARY COMPANIES)

AUDITORS' REPORT TO THE MEMBERS OF  
SALTER BROS. LIMITED

We have audited the financial statements on pages 2 to 8 in accordance with approved Auditing Standards.

The financial statements have been prepared under the historical cost convention. No provision for depreciation of freehold properties has been made for the reason stated in Note 1. This is contrary to the intention of Statement of Standard Accounting Practice No. 12. It is not practicable for us to quantify the effect. With this exception, in our opinion, these financial statements give a true and fair view of the state of affairs of the Company and the Group at 31st December 1982 and of the profit and source and application of funds of the Group for the year ended on that date and comply with the Companies Acts 1948 to 1981.

Oxford  
7th February 1984

Critchley, Ward and Pigott  
Chartered Accountants