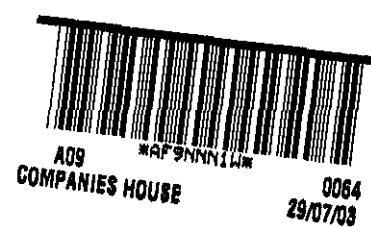


The Renwick Group plc
Annual report
for the year ended 31 December 2002

Registered Number 247231



The Renwick Group plc
Annual Report
for the year ended 31 December 2002
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The Renwick Group plc

Directors and advisors

Directors

A R Beck
G J Beck
D G Burnham
D S King

Secretary and registered office

D G Burnham
Renwick House
Brixham Road
Paignton
Devon
TQ4 7BN

Registered auditors

PricewaterhouseCoopers LLP
Princess Court
23 Princess Street
Plymouth
PL1 2EX

Registered number

247231

The Renwick Group plc

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The principal activities of the group are boat manufacturing and thoroughbred horse farming.

Review of business and future developments

As stated in note 21 to the financial statements, the results for the previous year have been restated following the discovery of a substantial over-valuation of certain stocks at 31 December 2001 which disclosed an incomplete recognition of the costs of certain production materials. This increase in cost of materials has also impacted the results for 2002. However, remedial action has been taken since this discovery and it is expected that profit margins will be improved significantly in the current year.

The order book has remained strong over the last 12 months and, although new orders have recently been affected by the war in Iraq, it is expected that current production levels will be maintained.

Results and dividends

The results for the year are given on page 5. The directors do not recommend the payment of a dividend (2001: £nil).

Supplier policy

The group pays its suppliers in accordance with the agreed terms of each transaction and suppliers are made aware of the terms. Trade creditors at the year end represented some 38 days purchases (2001: 43 days).

Directors and their interests

The directors of the company throughout the year ended 31 December 2002 are stated on page 1. No director had any beneficial interest in the shares of the company at 31 December 2002 or at any time during the year.

Employees

Employees are informed as appropriate about the development of their companies through regular meetings and newsletters.

The group pursues a policy of providing, whenever possible, the same employment opportunities to disabled persons as to others.

The Renwick Group plc

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group and of the profit or loss for that year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 8 under note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

At an Extraordinary General Meeting held on 21 October 2002, KPMG LLP were removed as auditors of the company. PricewaterhouseCoopers LLP were appointed to hold office until the forthcoming Annual General Meeting. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



D G Burnham
Secretary

30 May 2003

The Renwick Group plc

Independent auditors' report to the members of The Renwick Group plc.

We have audited the financial statements which comprise the profit and loss account, balance sheet, cash flow statement and related notes which have been prepared under the historical cost convention, modified to include the revaluation of investments and certain fixed assets, and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the group 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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

As explained in note 7, the financial statements do not contain the full transitional disclosure requirements as required by FRS 17. In the absence of the relevant actuarial information, it is not practicable for us to provide the missing disclosure.

Except for the failure to fully disclose this required transitional information, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 2002 and of the loss of the group and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Plymouth

30 May 2003

The Renwick Group plc

Consolidated profit and loss account for the year ended 31 December 2002

		2002 £'000	Restated 2001 £'000
	Note		
Turnover	2	176,696	193,677
Cost of sales		(169,191)	(173,856)
Gross profit		7,505	19,821
Net operating expenses	3	(9,954)	(10,664)
Operating (loss)/profit	4	(2,449)	9,157
Interest receivable and similar income	5	933	1,673
Interest payable on bank loans and overdrafts		(1,522)	(2,119)
(Loss)/profit on ordinary activities before taxation		(3,038)	8,711
Taxation on (loss)/profit on ordinary activities	8	50	(3,107)
(Loss)/profit for the year	19	(2,988)	5,604

Statement of total recognised gains and losses	2002 £'000	Restated 2001 £'000
(Loss)/profit for the year	(2,988)	5,604
Exchange difference on retranslation of net assets of foreign subsidiary undertakings	(1,674)	450
Total recognised gains and losses relating to year	(4,662)	6,054

All of the above figures, including comparatives, relate to continuing activities.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year as stated above and their historical cost equivalents.

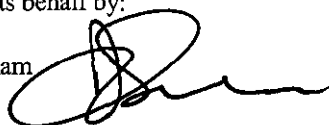
The Renwick Group plc

Balance sheets at 31 December 2002

	Note	Group		Company	
			Restated		Restated
		2002 £'000	2001 £'000	2002 £'000	2001 £'000
Fixed assets					
Tangible assets	9	55,928	49,877	3,135	1,391
Investments	10	396	651	73,816	78,813
		56,324	50,528	76,951	80,204
Current assets					
Stocks	11	56,031	54,643	-	-
Debtors	12	10,959	13,644	9	37
Cash at bank and in hand		9,200	14,649	393	4,149
		76,190	82,936	402	4,186
Creditors: amounts falling due within one year	13	(58,066)	(53,335)	(6,570)	(6,401)
Net current assets/(liabilities)		18,124	29,601	(6,168)	(2,215)
Total assets less current liabilities		74,448	80,129	70,783	77,989
Creditors: amounts falling due after more than one year	14	(21,363)	(24,568)	(21,363)	(24,568)
Accruals and deferred income	15	(2,170)	(1,104)	-	-
Provisions for liabilities and charges	16	(1,495)	(1,036)	-	-
Net assets		49,420	53,421	49,420	53,421
Capital and reserves					
Called up share capital	18	15,515	15,515	15,515	15,515
Share premium account	19	1,632	1,632	1,632	1,632
Revaluation reserve	19	905	1,918	17,367	19,081
Profit and loss account	19	31,368	34,356	14,906	17,193
Equity shareholders' funds	20	49,420	53,421	49,420	53,421

The financial statements on pages 5 to 24 were approved by the board of directors on 30 May 2003 and were signed on its behalf by:

D G Burnham
Director



The Renwick Group plc

Consolidated cash flow statement for the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Net cash inflow from operating activities	23	5,646	13,591
Returns on investments and servicing of finance			
Interest received		933	1,673
Interest paid		(1,522)	(2,119)
Net cash outflow from returns on investments and servicing of finance		(589)	(446)
Taxation			
United Kingdom corporation tax recovered/(paid)		482	(4,276)
Capital expenditure			
Purchase of tangible fixed assets		(11,061)	(11,891)
Sale of tangible fixed assets		421	8,178
Purchase of fixed asset investments		(107)	(171)
Disposal of fixed asset investments		32	149
Net cash outflow for capital expenditure		(10,715)	(3,735)
Cash (outflow)/inflow before financing		(5,176)	5,134
Financing			
Government grants received		1,096	-
Loan repayments		(1,326)	(195)
(Decrease)/increase in cash	24	(5,406)	4,939

The Renwick Group plc

Notes to the financial statements for the year ended 31 December 2002

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of investments and certain fixed assets. The directors have considered the accounting policies and estimation techniques detailed below and considered that, in accordance with FRS 18 'Accounting Policies', they are the most appropriate for the group.

Basis of consolidation

The financial statements include the company and all its subsidiary undertakings. Intra-group sales and profits are eliminated on consolidation. As permitted by section 230(3) of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The parent company's loss for the financial year was £2,287,000 (2001 profit: £648,000).

Change in accounting policies

The company has adopted the FRS 19 "Deferred Tax" in the financial statements. The adoption of this new standard represents a change in accounting policy and the comparative figures have been restated accordingly.

The effect of the change in accounting policy has been to increase tax on profit on ordinary activities and to decrease profit for the financial year by £319,000 (2001: increase tax on profit on ordinary activities and decrease the profit for the year by £1,176,000).

Deferred tax is accounted for on an undiscounted basis at expected rates on all differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Turnover

Turnover, which excludes Value Added Tax, represents the invoiced value of goods and services supplied during the year.

Development costs

These costs are written off as incurred.

Grants

Government grants are treated as deferred income in the balance sheet and credited to trading results over the estimated useful economic lives of the assets to which they related. Amortisation of government grants commences once all conditions have been met and there is no longer a possibility of any grant clawback.

The Renwick Group plc

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis, over the expected useful economic lives of the assets concerned. The principal economic lives used for this purpose are:

Freehold land	Not depreciated
Investment properties	Not depreciated
Freehold buildings	25 to 50 years
Cranes and hoists	7 to 20 years
Other plant and equipment	3 to 7 years
Motor vehicles	4 to 5 years
Bloodstock	3 to 7 years

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All exchange differences are included in the profit and loss account.

Stocks and work in progress

Boatbuilding: Stocks are stated at the lower of cost and net realisable value. In the case of finished goods and work in progress, cost represents the accumulated cost of materials, labour and production overheads.

Thoroughbred farms: Bloodstock held as trading stock is valued at the lower of cost and net realisable value and comprises certain equine interests held for resale together with all inutero foals and weanlings. Cost includes, as individually applicable, purchase costs, service fees, depreciation on mares and stallion interests used for breeding, boarding and related charges and all attributable overheads.

Pensions

The group operated a pension scheme providing benefits based on final pensionable pay for certain employees. Since the year end, this pension arrangement has been changed (see note 7). The assets of the scheme are held separately from those of the group. Contributions to the scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme so as to spread the cost over the working lives of the scheme members.

The group also operates a number of defined contribution pension arrangements. Contributions are charged to the profit and loss account as they become payable.

Investments

Investments are stated at market value.

The Renwick Group plc

2 Turnover

All turnover and trading results are derived from boat manufacturing and thoroughbred horse farming activities. The segmental and geographical analyses of turnover have not been disclosed as, in the opinion of the directors, it would be seriously prejudicial to the company's interests.

3 Net operating expenses

	2002 £'000	2001 £'000
Selling and distribution expenses	4,607	5,452
Administration expenses	5,347	5,212
	9,954	10,664

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):	2002 £'000	2001 £'000
Depreciation of tangible fixed assets	3,567	3,558
(Loss)/profit on disposal of tangible fixed assets	77	(201)
Amortisation of grants received	(30)	(31)
Auditors' remuneration:		
– audit (group)	112	99
– audit (company)	8	8
– other	48	28

5 Interest receivable and similar income

	2002 £'000	2001 £'000
Interest receivable	933	1,673

The Renwick Group plc

6 Director's emoluments

Total emoluments	2002	2001
	£'000	£'000
Salary and benefits in kind (including pension contributions)	606	1,101
Number of directors who have accrued benefits under defined benefit pension scheme	2	2

Highest paid Director

Salary and benefits in kind (excluding pension contributions)	188	656
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His accrued pension entitlement under the group's defined benefit at 31 December 2002 was £127,000 (2001: £156,000).

Continuing with note 7 overleaf

The Renwick Group plc

7 Employees

The average number (excluding directors) employed by the company during the year was:

By activity	2002 Number	2001 Number
Boat building	2,280	2,360
Thoroughbred farms	80	72
	2,360	2,432

Employee costs relating to the above are as follows:	2002 £'000	2001 £'000
Wages and salaries	53,522	54,322
Social security costs	4,501	4,928
Pensions costs	1,786	1,367
	59,809	60,617

The accounting policy on pension costs is set out in note 1. Pension contributions to the defined benefit scheme are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. An interim valuation of this pension scheme was performed in November, 2002 when the value of the scheme's fund was £17.4 million (£22.0 million at 5 April, 2001). The value of the scheme's assets represented 61 per cent of the benefits that had accrued to members at that date.

In view of the substantial increase in the cost of funding this scheme, it has been decided that the scheme will be closed to new entrants and accrual of future benefits for all existing members will cease on 31 May 2003 making it paid up. From 1 June 2003, contributions, currently projected at the rate of 7% of total pensionable pay, will be payable to meet the funding requirement.

The disclosures required under the Accounting Standard FRS 17 have not been provided as the directors consider that any possible value to be gained does not justify obtaining the required information.

The Renwick Group plc

8 Tax on (loss)/profit on ordinary activities

(a) Analysis of (credit)/charge for the year

	2002 £'000	Restated 2001 £'000
Current tax:		
Corporation tax	(471)	2,056
Deferred tax	201	511
Foreign tax	-	20
Total current tax	(270)	2,587
Adjustments relating to the prior year:		
Corporation tax	(38)	(5)
Deferred tax	258	525
Tax on (loss)/profit on ordinary activities	(50)	3,107

(b) Factors affecting (credit)/charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £'000	Restated 2001 £'000
(Loss)/profit on ordinary activities before tax	(3,038)	8,711
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	(911)	2,613
Effects of:		
- expenses/income not deductible/taxable	214	(306)
- write off/(utilisation) of US losses	413	(620)
- accelerated capital allowances	(182)	437
- other	(5)	(48)
Current tax charge for the year (note 8a)	(471)	2,076

c) Factors that may affect future tax charges

The directors consider that there are no significant factors which may materially affect future tax charges.

The Renwick Group plc

9 Tangible fixed assets

(a) Group	Investment properties £'000	Freehold properties £'000	Plant and equipment £'000	Bloodstock £'000	Total £'000
Cost or valuation					
At 1 January 2002	1,148	46,177	17,659	11,280	76,264
Currency retranslation	-	(1,369)	(128)	(1,057)	(2,554)
Revaluation	-	619	-	-	619
Additions	1,140	5,137	3,661	893	10,831
Transfers from stock (net)	-	-	-	230	230
Disposals	-	(56)	(304)	(567)	(927)
At 31 December 2002	2,288	50,508	20,888	10,779	84,463
Accumulated depreciation					
At 1 January 2002	-	8,896	10,195	7,296	26,387
Currency retranslation	-	(465)	(93)	(685)	(1,243)
Charge to profit and loss account	-	974	2,066	527	3,567
Charge to stock	-	-	-	318	318
Disposals	-	-	(244)	(250)	(494)
At 31 December 2002	-	9,405	11,924	7,206	28,535
Net book amount					
At 31 December 2002	2,288	41,103	8,964	3,573	55,928
At 31 December 2001	1,148	37,281	7,464	3,984	49,877

Freehold property includes £nil of assets in the course of construction (2001: £8,382,000).

The Renwick Group plc

9 Tangible fixed assets (continued)

(b) Company	Investment properties £'000	Freehold properties £'000	Plant and equipment £'000	Total £'000
Cost or valuation				
At 1 January 2002	1,148	358	40	1,546
Revaluation	-	619	-	619
Additions	1,140	-	-	1,140
At 31 December 2002	2,288	977	40	3,305
Accumulated depreciation				
At 1 January 2002	-	139	16	155
Charge for the year	-	7	8	15
At 31 December 2002	-	146	24	170
Net book amount				
At 31 December 2002	2,288	831	16	3,135
At 31 December 2001	1,148	219	24	1,391

Investment properties represent part-payments in respect of the purchase of leasehold interests.

One property sold subsequent to 31 December 2002 has been revalued to reflect the sale proceeds.

The Renwick Group plc

10 Investments

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Listed (see (a) below)	396	397	-	-
Unlisted (see (b) below)	-	254	73,816	78,813
	396	651	73,816	78,813

(a) Listed

	Group	
	2002 £'000	2001 £'000
Opening market value	397	515
Currency retranslation	(20)	10
Additions	62	-
Revaluation	42	-
Disposals	-	(128)
Share of net losses for year	(85)	-
Closing market value	396	397

The original cost of the listed shares was £314,000 (2001: £272,000).

(b) Unlisted

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	Restated 2001 £'000
Opening valuation	254	350	78,813	72,645
Currency retranslation	(24)	9	(2,664)	762
Additions	45	171	-	-
Disposals	(17)	(21)	-	-
Share of net losses for year	(258)	(255)	-	-
(Deficit)/surplus on revaluation	-	-	(2,333)	5,406
Closing valuation	-	254	73,816	78,813

The Renwick Group plc

10 Investments (continued)

The cost of the unlisted investments for the Group was £1,677,000 (2001: £1,823,000) and for the company was £68,476,000 (2001: £71,139,000).

The shares in subsidiary undertakings are revalued so that they are equivalent to the underlying net assets.

The following are the principal subsidiary undertakings:

Subsidiary	Holding	Nature of Business	Country of Incorporation
Fairline Boats plc	100%	Manufacture of motor yachts	England
Felix Engineering Limited*	100%	Manufacture of motor yachts	England
Gainesway Management Corporation*	100%	Thoroughbred farm management	USA
Gainesway Thoroughbreds Limited*	100%	Property and thoroughbred ownership, distribution of motor yachts	USA
Princess Yachts International plc	100%	Manufacture of motor and sailing yachts	England
Renwick Holdings Limited	100%	Holding company for Gainesway companies listed above	USA

*Subsidiaries held indirectly

11 Stock and work in progress

Group	2002 £'000	Restated 2001 £'000
Boatbuilding		
Work in progress	28,512	27,829
Finished goods	14,983	14,260
Raw materials	9,990	10,407
	53,485	52,496
Thoroughbred farms		
Bloodstock	2,546	2,147
	56,031	54,643

The Renwick Group plc

12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Amounts due in less than one year				
Trade debtors	6,143	8,588	-	-
Other debtors	3,055	3,448	9	37
Prepayments	1,761	1,608	-	-
	10,959	13,644	9	37

13 Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Secured loans (on property and bloodstock)	7,650	6,001	3,200	3,051
Order deposits	25,796	19,803	-	-
Trade creditors	13,829	17,816	-	-
Corporation tax	23	50	-	-
Other taxation and social security	1,647	1,925	21	23
Other creditors	1,654	1,945	8	8
Accruals	7,467	5,795	114	128
Amounts owed to subsidiary undertakings (no fixed repayment dates)	-	-	3,227	3,191
	58,066	53,335	6,570	6,401

The Renwick Group plc

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Bank loans repayable in under 5 years	14,761	13,826	14,761	13,826
Bank loans repayable in over 5 years	6,602	10,742	6,602	10,742
	21,363	24,568	21,363	24,568

Bank loans are repayable over 10 years from May 2000 and are secured by equitable charges over certain of the group's assets and subject to interest at bank base rate plus one per cent.

15 Accruals and deferred income

Group	£'000
Deferred government grants	
At 1 January 2002	1,104
Government grants received in the year	1,096
Amortisation in the year	(30)
At 31 December 2002	2,170

16 Provisions for liabilities and charges

Group	£'000
Deferred taxation	
At 1 January 2002 as previously reported	-
Prior year adjustment – FRS 19	1,036
At 1 January 2002 as restated	1,036
Deferred charge in the profit and loss account (note 8)	459
At 31 December 2002	1,495

The Renwick Group plc

17 Deferred taxation

Deferred taxation is made up as follows:

	2002	Restated
	£'000	2001
		£'000
Accelerated capital allowances	1,852	1,036
Short term timing differences	(346)	-
Other	(11)	-
	1,495	1,036

18 Called up share capital

	2002	2001
	£'000	£'000
Authorised		
80,000,000 ordinary shares of £0.25 each	20,000	20,000
Allotted and fully paid		
62,059,636 ordinary shares of £0.25 each	15,515	15,515

The Renwick Group plc

19 Reserves

(a) Group

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2002 as previously reported	1,632	1,918	37,892
Prior year adjustment – stock overvaluation net of tax	-	-	(2,500)
Prior year adjustment – FRS 19	-	-	(1,036)
At 1 January 2002 as restated	1,632	1,918	34,356
Loss for the year	-	-	(2,988)
Exchange difference on foreign subsidiary undertakings	-	(1,674)	-
Surplus on revaluation of investments	-	42	-
Surplus on revaluation of fixed assets	-	619	-
At 31 December 2002	1,632	905	31,368

(b) Company

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2002 as previously reported	1,632	22,617	17,193
Prior year adjustment – revaluation of investments	-	(3,536)	-
At 1 January 2002 as restated	1,632	19,081	17,193
Loss for the year	-	-	(2,287)
Surplus on revaluation of fixed assets	-	619	-
Deficit on revaluation of investments	-	(2,333)	-
At 31 December 2002	1,632	17,367	14,906

The Renwick Group plc

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2002	Restated 2001	2002	Restated 2001
	£'000	£'000	£'000	£'000
Opening shareholder's funds as previously reported	56,957	47,367	56,957	47,367
Prior year adjustment – stock overvaluation net of tax	(2,500)	-	-	-
Prior year adjustment – FRS 19	(1,036)	-	-	-
Prior year adjustment – revaluation of investments	-	-	(3,536)	-
Opening shareholder's funds as restated	53,421	47,367	53,421	47,367
(Loss)/profit for the year	(2,988)	5,604	(2,287)	648
Exchange difference on foreign subsidiary undertakings	(1,674)	450	-	-
Surplus/(deficit) on revaluation of investments	42	-	(2,333)	5,406
Surplus on revaluation of fixed assets	619	-	619	-
Closing shareholder's funds	49,420	53,421	49,420	53,421

21 Prior year adjustment

During 2002 it became apparent that certain stocks at 31 December 2001 had been overstated. In the opinion of the directors, this overstatement amounted to £3,572,000. Accordingly, a prior year adjustment has been made to reduce stock at 31 December 2001 and to reduce profit before tax for the year ended on that date by £3,572,000. Corporation tax has also been adjusted to reflect the lower profit.

22 Capital Commitments

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Contracted	9,697	14,157	9,056	10,116

The Renwick Group plc

23 Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2002 £'000	Restated 2001 £'000
Operating (loss)/profit	(2,449)	9,157
Depreciation charged to profit and loss account	3,567	3,558
Depreciation charged to stock	318	318
Profit on sale of fixed assets and investments	(3)	(201)
Share of net losses on investments	343	255
Increase in stocks	(1,628)	(5,145)
Decrease in debtors	2,121	1,667
Increase in creditors	3,407	4,013
Amortisation of government grants	(30)	(31)
Net cash inflow from operating activities	5,646	13,591

24 Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
(Decrease)/increase in cash in the year	(5,406)	4,939
Loan repayments	1,326	195
Currency retranslations	187	(276)
Change in net debt in the year	(3,893)	4,858
Opening net debt	(15,920)	(20,778)
Net debt at 31 December 2002	(19,813)	(15,920)

The Renwick Group plc

25 Analysis of changes in net debt

	At 1 January 2002 £	Cash flows £	Currency retranslations £	At 31 December 2002 £
Net cash				
Cash at bank and in hand	14,649	(5,406)	(43)	9,200
Debt:				
Due within one year	(6,001)	(1,879)	230	(7,650)
Debt due after one year	(24,568)	3,205	-	(21,363)
Net debt	(15,920)	(4,080)	187	(19,813)

26 Related party disclosures

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures".

During the year, D S King purchased a boat from the company on an arms length basis for a consideration of £104,942.

27 Ultimate parent undertaking

The ultimate parent undertaking is Agrippa (Cayman) Limited, registered in Cayman and the ultimate controlling party is the Agrippa Trust.