

SAILAWAY ST. ANTHONY LIMITED

DIRECTOR'S REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 1996

COMPANY NUMBER 1809410



SAILAWAY ST.ANTHONY LIMITED
THE BOATYARD
ST.ANTHONY
MANACCAN
HELSTON

DIRECTOR:

W G A Jenkin Esq

SECRETARY:

M Cash Esq.

REGISTERED OFFICE:

The Boatyard
St. Anthony
Manaccan
Helston

ACCOUNTANTS:

Messrs. Kitchen & Brown
Chartered Accountants
Alpha House
40 Coinagehall Street
Helston
Cornwall

BANKERS:

Barclays Bank Plc
Coinagehall Street
Helston
Cornwall

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 1996

The Director submits his report and the Financial Statements of the Company for the year ended 31 January 1996.

DIRECTOR'S RESPONSIBILITIES

Company Law requires the Director to prepare Financial Statements for each financial year which give a true and fair view of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Director is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the Financial Statements comply with the Companies Act 1985. He is 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation was £1,174 (1995 £1,282).

The Director does not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The Company's principal activities during the year were the letting of boat moorings and the sale, hire and repair of boats, engines and equipment.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Director was disappointed with the result for the year which was attributable to the depressed tourist industry.

DIRECTOR'S INTERESTS

The Director during the year and his interest in the share capital of the Company was:-

	<u>31.01.96</u>	<u>01.02.95</u>
W.G.A. Jenkin Esq.	100	100

By Order of the Board

.....

Director

Dated 9/6/96

Alpha House,
40 Coinagehall Street,
Helston,
Cornwall.

Date: 13/6/96

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF SAILAWAY
ST. ANTHONY LIMITED

We report on the accounts for the year ended 31 January 1996 set out on pages 4 to 10.

Respective Responsibilities of the Director and Reporting Accountants

As described on page 2 the Company's Director is responsible for the preparation of the accounts, and he considers that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

.....
KITCHEN & BROWN
CHARTERED ACCOUNTANTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>		
<u>TURNOVER</u>	2	116,510	112,439
Cost of Sales		35,653	30,510
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		80,857	81,929
Administrative Expenses		80,781	80,923
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	76	1,006
Interest Payable and Similar Charges	5	641	2,650
		<hr/>	<hr/>
<u>(LOSS) ON ORDINARY ACTIVITIES</u>			
<u>BEFORE TAXATION</u>		(565)	(1,644)
Tax Payable/(Recoverable) on Ordinary Activities	6	609	(362)
		<hr/>	<hr/>
<u>(LOSS) ON ORDINARY ACTIVITIES</u>			
<u>AFTER TAXATION</u>		(1,174)	(1,282)
Retained (Losses) Brought Forward		(25,041)	(23,759)
		<hr/>	<hr/>
Retained (Losses) Carried Forward		(£26,215)	(£25,041)
		<hr/>	<hr/>

The Company has made no acquisitions nor discontinued any operations within the meaning of the Financial Reporting Standard 3 during either year. Therefore turnover and operating profit derive entirely from continuing operations.

The Company had no recognised gains or losses other than the (loss) for the year in either year.

The notes on pages 6 to 10 form part of these Financial Statements.

BALANCE SHEET AS AT 31 JANUARY 1996

	Notes	1996	1995
<u>FIXED ASSETS</u>			
Tangible Assets	7	20,202	22,438
<u>CURRENT ASSETS</u>			
Stocks	8	13,200	15,671
Debtors	9	10,061	10,568
Cash at Bank and in Hand		-	50
		23,261	26,289
<u>CREDITORS: Amounts Falling Due</u>			
Within One Year	10	67,478	71,568
<u>NET CURRENT LIABILITIES</u>		(44,217)	(45,279)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		(24,015)	(22,841)
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation	11	2,100	2,100
		(£26,115)	(£24,941)
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	12	100	100
Profit and Loss Account		(26,215)	(25,041)
<u>SHAREHOLDERS FUNDS</u>		(£26,115)	(£24,941)

The Financial Statements were approved by the Director on9/6/96.....

For the year in question, the Company was entitled to exemption from an audit under section 249A(2) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The Director acknowledges his responsibility for:

- ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- preparing accounts which give a true and fair view of the state of affairs of the Company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small Companies on the grounds that, in the Director's opinion, the Company qualifies as a small Company under s246 and s247 of the Companies Act 1985.

W.G.A. Jenkin Esq - Director

The notes on pages 6 to 10 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 19961. ACCOUNTING POLICIESACCOUNTING CONVENTION

The Financial Statements are prepared under the Historical Cost Convention and are in accordance with applicable accounting standards.

The Financial Statements have been prepared on a going concern basis. This assumes that the Company will continue to meet its debts as they arise, despite having net current liabilities of £44,217 as at 31 January 1996.

Should the Company be unable to continue trading, adjustments may have to be made to amend the values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets as current assets.

DEPRECIATION

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life as follows:-

Yacht	10% pa on a Reducing Balance Method
Boats	10% pa on a Reducing Balance Method
Office Equipment	10% pa on a Reducing Balance Method
Car Park Equipment	10% pa on a Reducing Balance Method
Boat Equipment	Straight Line over 6 years
Boathouse Extension	Straight Line over 25 years

STOCKS

Stock is stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred Taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the Financial Statements.

Provision is made using the liability method except to the extent that where there is a reasonable probability of the tax not falling due for payment in the foreseeable future, the appropriate tax will be included in contingent liabilities.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

SAILAWAY ST.ANTHONY LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1996/Continued3. OPERATING PROFIT

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Directors' Remuneration (Benefits in Kind)	560	2,200
Depreciation	3,794	3,613
Hire of Plant and Machinery	1,594	2,418
	<u> </u>	<u> </u>

4. STAFF COSTS

	<u>1996</u>	<u>1995</u>
Wages and Salaries	39,758	39,375
Social Security Costs	3,982	3,846
	<u> </u>	<u> </u>
	£43,740	£43,221
	<u> </u>	<u> </u>

The average weekly number of employees during the year was made up as follows:-

	<u>1996</u>	<u>1995</u>
	<u>No.</u>	<u>No.</u>
Office and Management	1	1
Productive	6	6
	<u> </u>	<u> </u>
	7	7
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
Bank Loans and Overdrafts	£641	£2,650
	<u> </u>	<u> </u>

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
Based on the (Loss)/Profit for the Year:-		
UK Corporation Tax at 25% (1995: 25%)	520	138
Underprovision in previous year	89	-
Deferred Tax (Note 11)	-	(500)
	<u> </u>	<u> </u>
	£609	£(362)
	<u> </u>	<u> </u>

SAILAWAY ST. ANTHONY LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1996/Continued7. TANGIBLE FIXED ASSETS

	<u>Boathouse</u> <u>Extension</u>	<u>Yacht</u>	<u>Boats</u>	<u>Boat</u> <u>Equipment</u>	<u>Office</u> <u>Equipment</u>	<u>Car Park</u> <u>Equipment</u>	<u>Total</u>
<u>COST:</u>							
At 1 February 1995	-	25,945	21,480	11,209	4,053	686	63,373
Additions	1,507	-	-	-	51	-	1,558
At 31 January 1996	£ 1,507	25,945	21,480	11,209	4,104	686	64,931
<u>Depreciation</u>							
At 1 February 1995	-	16,405	13,056	9,105	2,143	226	40,935
Provided during the Year	60	954	842	1,696	196	46	3,794
At 31 January 1996	£ 60	17,359	13,898	10,801	2,339	272	44,729
<u>Net Book Value</u>							
At 1 February 1995	£ -	9,540	8,424	2,104	1,910	460	22,438
<u>Net Book Value</u>							
At 31 January 1996	£ 1,447	8,586	7,582	408	1,765	414	20,202

The fixed assets of the Company have not been revalued in the Financial Statements but the Director has considered their value and is satisfied that their aggregate value at 31 January 1996 was not less than their net book value shown in the Financial Statements.

8. STOCKS

	<u>1996</u>	<u>1995</u>
Stocks of Goods for Resale	12,000	13,671
Work in Progress	1,200	2,000
	<u>£13,200</u>	<u>£15,671</u>

9. DEBTORS

	<u>1996</u>	<u>1995</u>
Trade Debtors	7,855	7,999
Prepayments and Accrued Income	2,206	2,569
	<u>£10,061</u>	<u>£10,568</u>

SAILAWAY ST.ANTHONY LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1996/Continued

<u>10. CREDITORS: Amounts Falling Due Within One Year</u>	<u>1996</u>	<u>1995</u>
Bank Overdraft (see below)	8,781	11,293
Trade Creditors	14,648	13,871
Director's Current Account	39,028	41,121
Accruals	2,398	2,412
Corporation Tax	520	138
Other Taxes and Social Security Costs	2,103	2,733
	<u>£67,478</u>	<u>£71,568</u>

The Bank Overdraft is secured by a debenture over all the assets of the Company.

<u>11. DEFERRED TAXATION</u>	<u>1996</u>	<u>1995</u>
a) Balance at beginning of the Year	2,100	2,600
Transfer from Profit and Loss Account for the Year	-	(500)
	<u>£2,100</u>	<u>£2,100</u>

b) Deferred Taxation has been provided in full as follows:-

	<u>Provision Made</u>	
	<u>1996</u>	<u>1995</u>
Accelerated Capital Allowance	<u>£2,100</u>	<u>£2,100</u>

12. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, Called Up and Fully Paid</u>	
	<u>No.</u>	<u>No.</u>	<u>£</u>	<u>£</u>
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>100</u>	<u>100</u>

SAILAWAY ST.ANTHONY LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1996/Continued

<u>13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS</u>	<u>1996</u>	<u>1995</u>
(Loss) for the Financial Year	(1,174)	(1,282)
Opening Shareholders Funds	(24,941)	(23,659)
Closing Shareholders Funds	<u>£(26,115)</u>	<u>£(24,941)</u>