

**Seahorse Rating Limited**

Financial statements

For the year ended 31 March 2003

2041269



**Company No. 2041269**

## Company information

<b>Company registration number</b>	2041269
<b>Registered office</b>	Seahorse Buildings Bath Road Lymington Hampshire SO41 9SE
<b>Directors</b>	D O Aisher M G S Greville C G Little P C Wykeham-Martin
<b>Secretary</b>	A Newton
<b>Auditors</b>	Grant Thornton Chartered Accountants Registered Auditors Barnes Wallis Road Segensworth Hampshire PO15 5GT

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

### Principal activities

The company is principally engaged in the rating and handicapping of racing yachts.

### Directors

The directors who served the company during the year were as follows:

D O Aisher  
M G S Greville  
C G Little (Appointed 1 January 2003)  
P Rutter (Resigned 31 December 2002)  
J Warren (Resigned 2 September 2002)  
D Williams (Appointed 2 September 2002, resigned 28 February 2003)  
P C Wykeham-Martin

### 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 for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume 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. The directors 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**

A resolution to re-appoint Grant Thornton as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



A Newton  
Secretary  
15 September 2003

## Report of the independent auditors to the members of Seahorse Rating Limited

We have audited the financial statements of Seahorse Rating Limited for the year ended 31 March 2003 which comprise the profit and loss account, balance sheet and notes 1 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with 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.

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 company 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 with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

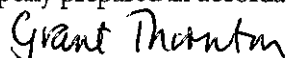
**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 March 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

23 September 2003

## Principal accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tools and equipment	-	3 years
Fixtures & Fittings	-	5 years
Computer equipment	-	3 years

### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.



## Profit and loss account

	Note	2003 £	2002 £
Turnover		371,786	393,755
Cost of sales		65,911	79,603
Gross profit		305,875	314,152
Other operating income and charges	1	299,101	284,970
<b>Operating profit</b>	2	6,774	29,182
Interest receivable		4,322	1,877
<b>Profit on ordinary activities before taxation</b>		11,096	31,059
Tax on profit on ordinary activities		2,398	3,550
<b>Retained profit for the financial year</b>		8,698	27,509
Balance brought forward		136,922	109,413
Balance carried forward		145,620	136,922


The accompanying notes form part of these financial statements.

## Balance sheet

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	4	<u>4,539</u>	<u>8,223</u>
<b>Current assets</b>			
Debtors	5	64,621	26,602
Cash at bank and in hand		<u>372,726</u>	<u>147,697</u>
		437,347	174,299
<b>Creditors: amounts falling due within one year</b>	6	<u>296,166</u>	<u>45,500</u>
<b>Net current assets</b>		<u>141,181</u>	<u>128,799</u>
<b>Total assets less current liabilities</b>		<u>145,720</u>	<u>137,022</u>
<b>Capital and reserves</b>			
Called-up equity share capital	11	100	100
Profit and Loss Account		<u>145,620</u>	<u>136,922</u>
<b>Shareholders' funds</b>		<u>145,720</u>	<u>137,022</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 15 September 2003 and are signed on their behalf by:

  
P C Wykeham-Martin  
Director

## Notes to the financial statements

### 1 Other operating income and charges

	2003	2002
	£	£
Administrative expenses	<u>299,101</u>	<u>284,970</u>

### 2 Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation	5,994	7,107
Auditors' fees	<u>2,150</u>	<u>2,000</u>

### 3 Directors

Remuneration in respect of directors was as follows:

	2003	2002
	£	£
Emoluments	<u>73,042</u>	<u>39,782</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>2</u>	<u>1</u>

#### 4 Tangible fixed assets

	Plant and machinery etc. £
Cost	
At 1 April 2002	94,790
Additions	2,310
At 31 March 2003	<u>97,100</u>
Depreciation	
At 1 April 2002	86,567
Charge for the year	5,994
At 31 March 2003	<u>92,561</u>
Net book value	
At 31 March 2003	<u>4,539</u>
At 31 March 2002	<u>8,223</u>

#### 5 Debtors

	2003 £	2002 £
Trade debtors	12,785	6,956
Amounts owed by group undertakings	50,887	—
Other debtors	949	19,646
	<u>64,621</u>	<u>26,602</u>

#### 6 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	3,845	1,183
Amounts owed to group undertakings	—	28,794
Corporation tax	1,247	2,399
Other taxation and social security	2,527	4,177
Other creditors	288,547	8,947
	<u>296,166</u>	<u>45,500</u>

#### 7 Leasing commitments

At 31 March 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003 £	2002 £
Operating leases which expire:		
Within 1 year	3,750	—
Within 2 to 5 years	2,690	7,781
	<u>6,440</u>	<u>7,781</u>

**8 Capital commitments**

The company had no capital commitments at 31 March 2003 or 31 March 2002.

**9 Contingent assets/liabilities**

There were no contingent liabilities at 31 March 2003 or 31 March 2002.

**10 Related party transactions**

A management charge of £30,000 (2002: £25,000) was paid during the period to the Royal Ocean Racing Club which is considered to be the company's controlling related party (see note 12).

**11 Share capital**

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
	2003	2002
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**12 Ultimate parent company**

The directors consider that the ultimate parent undertaking of this company is its parent company Seahorse Holdings Limited.

The Royal Ocean Racing Club is this company's controlling related party by virtue of its ownership of the whole of the share capital of Seahorse Holdings Limited.