

Company Registration No. 5524490

Premier Marinas Holdings Limited

Report and Financial Statements

31 March 2007



Premier Marinas Holdings Limited

Report and financial statements 2007

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Premier Marinas Holdings Limited

Report and financial statements 2007

Officers and professional advisers

Directors

R J Boissier
C N B Lacey
N Patel

Secretary

T R Allen

Registered Office

33 King William Street
London
EC4R 9AS

Bankers

HSBC
8 Canada Square
London
E14 5HQ

Solicitors

Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Premier Marinas Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2007

Principal activity

The principal activity of the Company is as an intermediate holding company. The principal activity of the Group is the ownership and management of marinas and marine related facilities.

Business review

The results for the year are set out in the group profit and loss account on page 7.

The Directors are satisfied with the performance of the group for the year and with its financial position at the end of the year.

The reorganisation and integration of the A H Moody & Son Limited group was completed during the year. The costs associated with this, and which are included in the results for the year, amounted to £238,672.

The group's head office provides senior management and shared service functions for finance, marketing, property development, HR and IT. The group's businesses, which are managed individually, report into the head office which is responsible for setting and monitoring performance targets. A broad range of performance indicators are applied and the directors are satisfied with the performance of all of the group's business against the targets set for the year. Performance indicators have not been disclosed as it is not considered necessary for the understanding of these financial statements.

The Directors do not anticipate any significant changes to the level of business activity in the coming year.

Principal risks and uncertainties

The group's activities expose it to a number of risks and uncertainties.

There is a risk that the markets for the group's products and services or that its competitive position could deteriorate. Premier manages these risks through building strong relationships with its customers and by maintaining high standards of customer service. The group conducts regular market research to ensure that it continues to meet its customers' expectations.

Premier recognises that its employees are critical to its success and the group is committed to creating a culture in which all employees feel valued for their contribution and are encouraged to achieve their full potential. The group successfully retained its Investors in People accreditation during the year.

Premier is committed to ensuring the safety of those people who work with it or who could be affected by its activities. The group devotes significant resources to managing and improving the safety of its Operations. All such activities are actively promoted and led by the board, supported by internal and external reviews, training and education.

The principal financial risks facing the group include foreign exchange, liquidity, credit and interest rate risk.

The group's boat sales operation is exposed to a limited foreign exchange risk where new boats are purchased in euros, but sold in pounds sterling. The group manages this risk either by holding euro currency or through forward foreign exchange contracts.

Premier Marinas Holdings Limited

Directors' report

Principal risks and uncertainties (continued)

The group's credit risk is primarily attributable to amounts receivable from its customers. Amounts owing by customers are closely managed and the group has no significant concentration of risk with exposure spread over a large number of customers.

To monitor liquidity and ensure that the group maintains sufficient funds for its ongoing operations and future developments, Premier closely monitors and forecasts profits and cashflow and maintains appropriate headroom in its overdraft and debt facilities.

The group had £35.2 million of bank debt at the beginning and end of the period. The interest rate risk of this debt is all fixed by way of interest rate swaps and the group's average interest rate on bank debt is 5.7%. The group's unsecured overdraft facility of £5 million attracts interest at 1% over base rate when drawn and is therefore subject to interest rate risk.

The group also had £63 million of subordinated, unsecured loan note debt which was fixed at an average interest rate of 7.51% until 18 August 2006 and thereafter an interest rate of 6.53%.

Results and dividends

The profit on ordinary activities after taxation and minority interest attributable to shareholders was £1,121,000 (2006 – loss £1,495,000). Interim dividends on the ordinary shares totalling £2,000,000 were paid during the year (2006 – £nil).

Directors and their interests

The directors who held office throughout the year were

R J Boissier
C N B Lacey
N Patel

In accordance with the company's Articles of Association, no director retires by rotation. During the period, the group paid management fees totalling £647,000 to Harlyn Asset Management Limited, a company owned by R J Boissier and registered in England and Wales.

None of the directors have any interests in the shares of the company. Mr Boissier, Mr Lacey and Mr Patel have an interest in the shares of the immediate parent company Premier Marinas Jersey Holdings Limited, a company registered in Jersey.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary
10 January 2008

Premier Marinas Holdings Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the directors are 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, and
- 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, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985.

Independent auditors' report to the members of Premier Marinas Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Premier Marinas Holdings Limited for the year ended 31 March 2007 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets, the consolidated cash flow statement and the related notes 1 to 32. These financial statements have been prepared 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Independent auditors' report to the members of Premier Marinas Holdings Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23 January 2008

Premier Marinas Holdings Limited

Profit and loss account Year ended 31 March 2007

	Notes	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Turnover	1,2	28,203	10,987
Cost of sales		(17,987)	(6,316)
Gross profit		10,216	4,671
Administrative expenses	3	(2,417)	(2,166)
Operating profit		7,799	2,505
Interest payable	7	(6,382)	(3,873)
Profit/(loss) on ordinary activities before taxation	2,4	1,417	(1,368)
Tax charge on profit/(loss) on ordinary activities	8	(296)	(127)
Profit/(loss) on ordinary activities after taxation		1,121	(1,495)
Preferential distribution	10	-	(893)
Dividends	9	(2,000)	-
Retained loss for the year	21	(879)	(2,388)

There were no other recognised gains or losses in the year, consequently no statement of total recognised gains and losses is presented

All results are derived from continuing operations

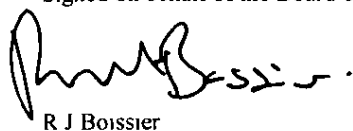
Premier Marinas Holdings Limited

Consolidated balance sheet 31 March 2007

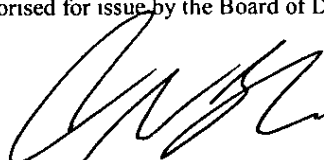
	Notes	2007 £'000	2006 £'000
Fixed assets			
Goodwill	11	881	881
Negative goodwill	11	(5,638)	(6,492)
		<u>(4,757)</u>	<u>(5,611)</u>
Intangible assets		114,802	114,742
Tangible assets	12	<u>110,045</u>	<u>109,131</u>
Current assets			
Stocks	14	2,208	4,047
Property Stock	14	2,209	3,503
Development work in progress	15	1,549	1,141
Debtors	16	2,343	3,428
Cash at bank and in hand		<u>1,959</u>	<u>1,972</u>
		10,268	14,091
Creditors amounts falling due within one year	17	<u>(12,702)</u>	<u>(14,842)</u>
Net current liabilities		<u>(2,434)</u>	<u>(751)</u>
Total assets less current liabilities		107,611	108,380
Creditors amounts falling due after more than one year	17	(98,943)	(98,952)
Provisions for liabilities	18	<u>(2,079)</u>	<u>(1,960)</u>
Net assets		<u>6,589</u>	<u>7,468</u>
Capital and reserves			
Called up share capital	19	9,856	9,856
Profit and loss account	21	<u>(3,267)</u>	<u>(2,388)</u>
Shareholders' funds	22	<u>6,589</u>	<u>7,468</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 January 2008

Signed on behalf of the Board of Directors



R J Boissier
Director



C N B Lacey
Director

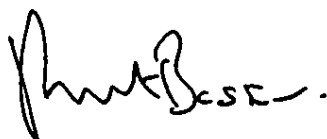
Premier Marinas Holdings Limited

Company balance sheet 31 March 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Investments	13	54,709	54,709
		<u>54,709</u>	<u>54,709</u>
Current assets			
Debtors	16	18,175	18,483
		<u>18,175</u>	<u>18,483</u>
Creditors' amounts falling due within one year	17	(450)	(2,607)
Net current assets		<u>17,725</u>	<u>15,876</u>
Total assets less current liabilities		<u>72,434</u>	<u>70,585</u>
Creditors' amounts falling due after more than one year	17	(63,027)	(63,027)
Net assets		<u>9,407</u>	<u>7,558</u>
Capital and reserves			
Called up share capital	19	9,856	9,856
Profit and loss account	21	(449)	(2,298)
Shareholders' funds	22	<u>9,407</u>	<u>7,558</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 January 2008

Signed on behalf of the Board of Directors



R J Boissier
Director



C N B Lacey
Director

Premier Marinas Holdings Limited

Cash flow statement Year ended 31 March 2007

		Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
	Notes		
Net cash inflow from operating activities	25	10,273	4,966
Returns on investments and servicing of finance	26	(6,382)	(3,873)
Taxation	26	(37)	(100)
Capital expenditure and financial investment	26	(1,843)	(1,281)
Dividends paid		(2,000)	(893)
Acquisitions and disposals	26	-	(69,730)
Net cash inflow/(outflow) before use of liquid resources and financing		11	(70,911)
Financing issue of shares	26	-	9,856
Increase in debt	26	(24)	63,027
(Decrease)/increase in cash in the period		(13)	1,972

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

1 Accounting policies

Accounting convention and presentation of financial information

The financial statements have been prepared under the historical cost convention, in accordance with applicable law and United Kingdom accounting standards, subject to revaluation of certain assets. The particular accounting policies adopted by the Directors are described below. They have all been applied consistently throughout the year and prior period.

Consolidation

The consolidated financial statements incorporate the results of Premier Marinas Holdings Limited and its subsidiary undertakings for the year ended 31 March 2007.

Subsidiaries have been consolidated under the acquisition method of accounting and the results of company acquisitions are included in the consolidated profit and loss account from the date of acquisition or to the date of disposal. Goodwill on consolidation represents the difference between the purchase consideration and the fair value of net assets acquired and is capitalised in the year in which it arises and is amortised over its useful economic life.

As permitted by Section 230 of the Companies Act 1985, Premier Marinas Holdings Limited is exempt from the requirement to present its own profit and loss account.

Operating results

The operating results include transactions at the marinas up to and including the Sunday nearest to 31 March of each year. All other transactions are included up to 31 March.

Fixed assets and depreciation

Freehold and leasehold land and buildings are stated at cost or derived from professional valuation. All other fixed assets are stated at cost.

Depreciation is provided by the company to write off the cost or valuation less estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold and long leasehold land	Not depreciated
Freehold buildings	Fifty years
Long leasehold buildings	Over the length of the lease
Pontoons	4% and 10%
Lock structures	2.5% - 5%
Motor vehicles	25%
Plant and machinery	2% - 50%
Fixtures, fittings and office equipment	13% - 25%

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

1. Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of subsidiary companies is carried in the balance sheet as an intangible fixed asset. Where goodwill is regarded as having an indefinite economic life, in accordance with Financial Reporting Standard 10 'Goodwill and Intangible assets' it is not amortised but carried in the balance sheet at the value arising on acquisition. The carrying value of non-amortised goodwill is subjected to an annual impairment review based upon independent annual valuations of the assets acquired in accordance with Financial Reporting Standard 11 'Impairment of fixed assets and goodwill'. Diminutions in the value of goodwill to below the carrying value are charged to the profit and loss account.

This treatment represents a departure from the Companies Act 1985, which requires amortisation to be charged systematically over an estimated life. In this respect, the Companies Act conflicts with the UK generally accepted accounting standard above.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Investments

Investments are stated at cost less any provision for impairment.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease. Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

Stocks and property stocks

Stocks and property stocks are stated at the lower of cost and net realisable value.

Development work in progress

Development work in progress is shown at the lower of cost and net realisable value. Cost includes property planning, environmental and architecture fees incurred on development projects. Development costs are capitalised only when the outcome of the development project can be assessed with reasonable certainty and only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension costs

The Group participates in four defined contribution pension plans, administered by Legal and General Assurance Society, Equitable Life Assurance Society, Scottish Life and Norwich Union. Contributions are charged to the profit and loss account in the year in which they are incurred.

Turnover

Turnover represents the amounts (excluding value added tax) derived from renting of marina berthing, sales of other associated marina goods and services, new boat sales, brokerage commissions and rents receivable from properties in the United Kingdom.

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

2. Analysis of turnover and loss on ordinary activities before taxation

	2007		2006	
	Turnover	Attributable pre-tax profit/(loss)	Turnover	Attributable pre-tax profit/(loss)
	£'000	£'000	£'000	£'000
Marina berth fees and associated marina goods and services	17,303	162	9,053	(1,170)
Boat sales and brokerage	6,458	(1,088)	822	(397)
Rent and service charge from properties	4,442	1,637	1,112	(145)
Central items – goodwill written back	-	706	-	344
	<u>28,203</u>	<u>1,417</u>	<u>10,987</u>	<u>(1,368)</u>

In the directors' opinion it is not possible to present a split of net assets by class of business as required by SSAP 25. All turnover derives from the United Kingdom and all operations are based in the United Kingdom.

3. Administrative expenses

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Salary costs	1,441	909
Legal and professional fees	275	180
Bonus	-	409
Administration and motor costs	502	382
Marketing	536	292
	<u>2,754</u>	<u>2,172</u>
Ongoing expenses	675	338
Management recharges	(706)	(344)
Goodwill written back	(306)	-
Disposal of negative goodwill related to asset sold	<u>2,417</u>	<u>2,166</u>

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

4 Profit/(loss) on ordinary activities before taxation

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Is stated after charging/(crediting)		
Company - for audit services	5	5
Group - for audit services	69	91
Depreciation of owned fixed assets	1,678	798
Negative goodwill written back	(706)	(344)
Disposal of negative goodwill related to brand	(306)	-
Operating leases - hire of plant and machinery	135	40
- other	643	579
Loss on disposal of fixed assets	104	202

The analysis of auditors' remuneration is as follows

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	5	5
The audit of the company's subsidiaries pursuant to legislation	69	91
Total audit fees	74	96
Fees payable to the Company's auditors and their associates for other services to the Group		
Tax services	35	40
Due diligence	25	-
Total non-audit fees	60	40

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

5. Employees

Staff costs during the year/period were

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Wages and salaries	3,700	1,919
Social security costs	283	200
Pension costs	143	88
	<u>4,126</u>	<u>2,207</u>

The average weekly number of employees and directors during the year/period were

	2007 £'000	2006 £'000
Marina operations	128	110
Administration	32	63
	<u>160</u>	<u>173</u>

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

6 Directors' emoluments

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Directors' emoluments	20	-
Pension contributions	-	-
	<u>20</u>	<u>-</u>
	2007 £'000	2006 £'000
Highest paid Director		
Salary and fees	20	-
Bonuses	-	-
Taxable benefits	-	-
	<u>20</u>	<u>-</u>

During the period, the group paid management fees totalling £647,000 (2006 - £338,000) to Harlyn Asset Management Limited, a company owned by R J Boissier who is a director of Premier Marinas Holdings Limited

7 Interest payable

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
Preference share interest	12	-
Bank interest	2,066	1,266
Loan stock interest	4,304	2,607
	<u>6,382</u>	<u>3,873</u>

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

8 Tax charge on profit/(loss) on ordinary activities

	Year ended 31 March 2007 £'000	Eight months ended 31 March 2006 £'000
United Kingdom corporation tax at 30% (2006 30%)	177	99
Over provisions in respect of previous year	-	(35)
Total current tax	177	64
Origination of timing differences	119	63
Discount on timing differences	-	-
	<u>296</u>	<u>127</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2006 30%) The actual tax charge for the current year and the previous period is lower than the standard rate for the reasons set out in the following reconciliation

	2007 £'000	2006 £'000
Profit/(loss) on ordinary activities before tax	1,417	(1,368)
Tax/(credit) on loss on ordinary activities at standard rate	425	(410)
Factors affecting charge for the year		
Capital allowances for year in excess of depreciation	(95)	(81)
Other permanent differences	(273)	410
Other tax adjustments	120	180
Adjustment to tax charge in respect of prior years	-	(35)
Total actual amount of current tax	<u>177</u>	<u>64</u>

No provision has been made for deferred tax on revaluing land and buildings to market value as there is no intention to dispose of the properties

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

9 Dividends

	2007 £'000	2006 £'000
Interim ordinary dividend of 20 29 pence per share	2,000	-

10 Preferential distribution

	2007 £'000	2006 £'000
Premium paid on redemption of loan notes	-	893

The premium paid on redemption of loan notes during 2006 was subject to the distributable profits of Premier Marinas Limited

11 Intangible fixed assets – goodwill

Group	Positive goodwill £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 April 2006	881	(6,836)	(5,955)
Addition in the period	-	(158)	(158)
At 31 March 2007	881	(6,994)	(6,113)
Amortisation			
At 1 April 2006	-	344	344
Disposals	-	306	306
Negative goodwill written back	-	706	706
At 31 March 2007	-	1,356	1,356
Net Book Value			
At 31 March 2007	881	(5,638)	(4,757)
At 31 March 2006	881	(6,492)	(5,611)

Negative goodwill is being written back on a straight line basis over a period of ten years which is equal to the period over which the related non-monetary assets of the acquired business are being depreciated

Details of the addition are disclosed in note 27

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

12 Tangible fixed assets

Group	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Lock structure £'000	Pontoons £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost/Valuation						
At 1 April 2006	71,341	33,076	2,163	9,856	7,393	123,829
Additions	-	777	-	143	922	1,842
Disposals	-	-	-	-	(976)	(976)
At 31 March 2007	71,341	33,853	2,163	9,999	7,339	124,695
Depreciation						
At 1 April 2006	1,804	614	596	2,574	3,499	9,087
Charge for the period	298	153	49	459	719	1,678
Disposals	-	-	-	-	(872)	(872)
At 31 March 2007	2,102	767	645	3,033	3,346	9,893
Net book value						
At 31 March 2007	69,239	33,086	1,518	6,966	3,993	114,802
At 31 March 2006	69,537	32,462	1,567	7,282	3,894	114,742

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

13 Investments – company

	Investment in subsidiary undertakings £'000
Cost and net book value	
At 1 April 2006	54,709
Additions	-
	<hr/>
At 31 March 2007	54,709
	<hr/>

Premier Marinas Limited is held directly by Premier Marinas Holdings Limited

The principal operating subsidiary undertakings at 31 March 2007 are set out below

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Premier Marinas Limited	Great Britain	Operation of two yacht marinas	Ordinary shares 100%
Premier Marinas (Gosport) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Southsea) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Falmouth) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Brighton) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Gosport Real Estate Limited	Great Britain	Property development	Ordinary shares 100%
Gosport Estates Limited	Great Britain	Property development	Ordinary shares 100%
Premier Marinas (Hamble) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Yacht Sales Limited	Great Britain	Brokerage and sale of new yachts	Ordinary shares 100%
Falmouth Yacht Marina Limited	Great Britain	Holding company	Ordinary shares 100%

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

14 Stocks and property stock

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Finished goods and goods for resale	2,208	-	4,047	-
Property stock	2,209	-	3,503	-

The replacement cost of finished goods and goods for resale is not materially different to the carrying value

15 Development work in progress

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Work in progress	1,549	-	1,141	-

16 Debtors

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	1,280	-	1,845	-
Amounts owed by subsidiary undertaking	-	18,175	-	18,175
Other debtors	723	-	534	308
Prepayments and accrued income	340	-	1,049	-
	2,343	18,175	3,428	18,483

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

17 Creditors

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year				
Trade creditors	615	-	1,887	-
Corporation tax	65	-	8	-
Other taxation and social security	1,110	-	961	-
Other creditors	237	421	2,589	2,607
Accruals and deferred income	10,675	-	9,397	-
Inter group creditors	-	29	-	-
	<u>12,702</u>	<u>450</u>	<u>14,842</u>	<u>2,607</u>
Amounts falling due after more than one year				
Unsecured loan stock	63,027	63,027	63,027	63,027
Bank loan	35,194	-	35,194	-
Minority interest preference shares (note 20)	373	-	397	-
Accruals and deferred income	349	-	334	-
	<u>98,943</u>	<u>63,027</u>	<u>98,952</u>	<u>63,027</u>

The bank loan is repayable as follows

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Within two to three years	<u>35,194</u>	<u>-</u>	<u>35,194</u>	<u>-</u>

The unsecured loan stock was issued by the RBSI Custody Bank Limited and RBSI Trust Company Limited (as Trustees of the Blackrock UK Property Fund) to Premier Marinas Holdings Limited on 18 August 2005 with a redemption date of 18 August 2010 and interest rates ranging from 5.8% to 14.8%. The loan notes were redeemed on 18 August 2006 and were replaced by three new series with the same issue price and an interest rate of 6.53%. On 17 August 2007, the loan notes were replaced by three new series with a total issue price of £78,277,000 and an interest rate of 7.07%.

The group's other borrowings comprise a secured five year bank loan facility of £45 million (2006 £45million) at a margin of 0.8% over LIBOR, plus a variable margin calculated by the bank, signed on 12 July 2002 and increased on 4 March 2004. The loan is secured by a fixed and floating charge over the assets of the group.

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

17. Creditors (continued)

After taking into account interest rate swaps entered into by the group, the interest rate profile of the group's bank loans at 31 March was as follows

	Total £000	2007 Floating rate £000	Fixed rate £000	Total £000	2006 Floating rate £000	Fixed rate £000
Sterling	35,194	-	35,194	35,194	5,275	29,919
Total	35,194	-	35,194	35,194	5,275	29,919

The average fixed rate of interest is 5.70% (2006 - 5.78%). The fair value of the interest rate swaps at 31 March 2007 was £479,535 (2006 £60,200)

18. Provisions for liabilities

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows

	2007 Group £'000	Company £'000	2006 Group £'000	Company £'000
At 1 April 2006	1,960	-	1,960	-
Increase in provisions	119	-	-	-
Discount on timing differences	-	-	-	-
At 31 March 2007	2,079	-	1,960	-

	2007 Provided £'000	Unprovided £'000	2006 Provided £'000	Unprovided £'000
Group				
Accelerated capital allowances	2,079	-	1,960	-
Discount	-	-	-	-
Discounted provision	2,079	-	1,960	-
Company				
Accelerated capital allowances	-	-	-	-
Discount	-	-	-	-
Discounted provision	-	-	-	-

No provision has been made for deferred taxation on revalued assets because the Directors have no intention to dispose of the assets concerned in the foreseeable future

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

19. Share capital

	2007 £'000	2006 £'000
Authorised		
20,000,000 £1 ordinary shares	20,000	20,000
Allotted, called up and fully paid		
9,856,305 £1 ordinary shares	9,856	9,856

20. Minority interest

	2007 £	2006 £
Group		
At 1 April 2006	397	397
Preference share bought back	(24)	-
At 31 March 2007	373	397

The non-equity minority interest relates to cumulative preference shares in Falmouth Yacht Marina Limited. The preference shares are non-voting and entitle the holders to special berthing privileges. The full rights of these shares are disclosed in the accounts of Falmouth Yacht Marina Limited, which may be obtained from the Registrar of Companies.

21. Reserves

	Profit and loss account £'000
Group	
At 1 April 2006	(2,388)
Retained loss for the year	(879)
At 31 March 2007	(3,267)
Company	
At 1 April 2006	(2,298)
Retained loss for the year	1,849
At 31 March 2007	(449)

As permitted by section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts.

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

22 Reconciliation of movement in shareholders' funds

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Profit/(loss) on ordinary activities after taxation	1,121	(2,786)	(1,495)	(2,298)
Preferential distribution	-	-	(893)	-
Dividend (paid)/received	(2,000)	4,635	-	-
Issue of share capital	-	-	9,856	9,856
Net increase/(decrease) to shareholders funds/(deficit)	(879)	1,849	7,468	7,558
Opening shareholders' funds	7,468	7,558	-	-
Closing shareholders' funds	<u>6,589</u>	<u>9,407</u>	<u>7,468</u>	<u>7,558</u>

23 Capital commitments

- (i) At 31 March 2007 the Group had contracted capital commitments of £189,000
- (ii) At 31 March 2007 the Company had contracted capital commitments of £nil
- (iii) Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	-	40	-	69
In the second to fifth years	-	95	-	12
Over five years	643	-	700	-
	<u>643</u>	<u>135</u>	<u>700</u>	<u>81</u>

24. Pensions

During the year the Group participated in four defined contribution Group Personal Pension Plans administered by Legal & General Assurance Society, Equitable Life Assurance Society, Scottish Life and Norwich Union. The Group's contributions are charged to the profit and loss account in the year they are incurred. The pension charge cost for the year was £143,000 (2006 - £130,000). The balance outstanding as at 31 March 2007 was £12,000 (2006 - £13,000).

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

25. Reconciliation of operating profit to net cash inflow from operating activities

	2007 £'000	2006 £'000
Operating profit	7,799	2,505
Negative goodwill written back	(706)	(344)
Disposal of negative goodwill	(306)	-
Loss on disposal of fixed assets	104	-
Depreciation	1,678	798
Decrease/(increase) in stock	1,839	(3,967)
Decrease in property stock	1,294	-
Increase in development work in progress	(408)	(254)
Decrease/(Increase) in debtors	1,085	(1,380)
(Decrease)/Increase in creditors	(2,106)	7,608
Net cash inflow from operating activities	10,273	4,966

26 Analysis of cash flows for heading netted in the cash flow statement

	Note	2007 £'000	2006 £'000
Returns on investment and servicing of finance			
Interest paid		6,370	3,873
Non-equity dividends paid to minority		12	-
		<u>6,382</u>	<u>3,873</u>
Taxation			
UK corporation tax paid		<u>37</u>	<u>100</u>
Capital expenditure			
Purchase of tangible assets		<u>1,843</u>	<u>1,281</u>
Acquisitions and disposals			
Purchase of subsidiary undertakings, Premier Marinas Limited	27	-	54,709
Purchase of subsidiary undertakings, A H Moody & Son Limited	27	-	15,355
Disposal of Deck business		-	(334)
		<u>-</u>	<u>69,730</u>
Financing			
Issue of shares		-	9,856
Loan received from parent company		-	63,027
Buy back of preference share		(24)	-
		<u>(24)</u>	<u>72,883</u>

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

27 Acquisition of subsidiary undertaking

On 20 December 2005 Premier Marinas Limited, a subsidiary of Premier Marinas Holdings Limited, acquired 100% of the issued share capital of A H Moody & Son Limited (subsequently renamed Premier Marinas (Hamble) Limited) for a consideration satisfied in cash. The fair value of the total consideration was £15,355,000.

The fair value adjustments recorded in the 31 March 2006 financial statements are summarised below.

	Book value £000	Revaluation £000	Other significant items £000	Fair value to group £000
Net assets	8,465	10,444	(479)	18,430
Negative goodwill				(3,075)
Consideration				15,355

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

27 Acquisition of subsidiary undertakings (continued)

As permitted by FRS 7, finalisations to the fair value adjustments have been made during the year ended 31 March 2007. These are set out in the table below and result in an increase to the recorded negative goodwill of £158,000 to (£3,233,000). The intangible asset acquired as part of the acquisition was disposed of on 30 March 2007.

	Book value £000	Revaluation £000	Other significant items £000	Fair value to group £000
Fixed Assets				
Tangible	7,556	10,444	(338)	17,662
Intangible	-	-	306	306
Current assets				
Stock	3,882	-	(214)	3,668
Debtors	1,400	-	(75)	1,325
Cash	269	-	-	269
Total assets	<u>13,107</u>	<u>10,444</u>	<u>(321)</u>	<u>23,230</u>
Creditors	(4,052)	-	-	(4,052)
Provisions	(590)	-	-	(590)
Total liabilities	<u>(4,642)</u>	<u>-</u>	<u>-</u>	<u>(4,642)</u>
Net assets	<u>8,465</u>	<u>10,444</u>	<u>(321)</u>	18,588
Negative goodwill				(3,233)
				<u>15,355</u>

On 18 August 2005 the company acquired 100% of the share capital of Premier Marinas Limited for consideration satisfied in shares and cash totalling £54,709,000. The negative goodwill arising was £(3,761,000). Further consideration may be payable to the vendor in relation to development land, up to 12 July 2010, if certain conditions are met.

Premier Marinas Holdings Limited

Notes to the accounts Year ended 31 March 2007

28. Analysis of movement in net debt

	31 March 2006 £'000	Cash flow £'000	31 March 2007 £'000
Cash at bank and in hand (net of overdraft)	1,972	(13)	1,959
Bank loan	(35,194)	-	(35,194)
Loan notes	(63,027)	-	(63,027)
Net debt	<u>(96,249)</u>	<u>(13)</u>	<u>(96,262)</u>
			2007 £'000
Increase in cash and net funds in the year			(13)
Bank loan			-
Loan notes			-
Movements in net debt in the year			<u>(13)</u>
Net debt at the beginning of the year			<u>(96,249)</u>
Net debt at the end of the year			<u>(96,262)</u>

29 Guarantee

On 12 July 2002 Premier Marinas Limited, a subsidiary of Premier Marinas Holdings Limited, agreed a £30 million Term Loan facility with HSBC Bank plc. On 4 March 2004, the facility level was increased to £45 million. The loan is for a period of five years and is secured by a fixed and floating charge over the assets of the group.

30 Ultimate parent company

The ultimate parent company of Premier Marinas Holdings Limited is Premier Marinas Jersey Holdings Limited, a company incorporated in Jersey and registered in the Channel Islands.

31 Related party transactions

During the period to 31 March 2007 Harlyn Asset Management Limited charged management fees totalling £647,000 (2006 - £338,000) to Premier Marinas Holdings Limited and its subsidiaries.

32 Post balance sheet event

On 6 July 2007 the company acquired Sovereign Harbour Marina Limited. Full details of this transaction will be provided in the financial statements for the year ended 31 March 2008.

On 8 October 2007 £1.41 million was paid to Barratt Homes Limited. This represented Premier Marinas (Brighton) Limited's share of the costs of obtaining planning consent for the area known as the "Outer Harbour" at Brighton marina. Payment was triggered by the commencement of development works.