

**Company Registration No. 5524490**

**Premier Marinas Holdings Limited**

**Report and Financial Statements**

**52 Weeks ended 30 March 2008**

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## **Premier Marinas Holdings Limited**

### **Report and financial statements 2008**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Consolidated balance sheet</b>	<b>8</b>
<b>Company balance sheet</b>	<b>9</b>
<b>Consolidated cash flow statement</b>	<b>10</b>
<b>Notes to the accounts</b>	<b>11</b>

# **Premier Marinas Holdings Limited**

## **Report and financial statements 2008**

### **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 LLP  
Chartered Accountants  
London

## **Premier Marinas Holdings Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for the 52 weeks ended 30 March 2008.

#### **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 period 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 period and with its financial position at the end of the year.

On 6 July 2007, Premier Marinas Limited, a wholly owned subsidiary of Premier Marinas Holdings Limited, acquired the entire issued share capital of Sovereign Harbour Marina Limited for a consideration in cash. The company owns and operates Sovereign Harbour Marina in Eastbourne. The company's name was changed to Premier Marinas (Eastbourne) Limited on 10 July 2007. The directors are satisfied with the performance of Sovereign Harbour since acquisition and with its integration to the Premier group.

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 £37.7 million of bank debt at the end of the period. The interest rate risk on £29.9 million of this debt is fixed by way of interest rate swaps and the group's average interest rate on bank debt is 6.0%. 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 £78.3 million of subordinated, unsecured loan note debt which was fixed at an average interest rate of 6.53% until 18 August 2007 and thereafter an interest rate of 7.07%.

#### Results and dividends

The loss on ordinary activities after taxation and minority interest attributable to shareholders was £3,159,000 (2007 – profit £1,121,000). Interim dividends on the ordinary shares totalling £nil were paid during the period (2007 – £2,000,000).

#### Directors and their interests

The directors who held office throughout the period were:

R J Boissier  
C N B Lacey (resigned 11 December 2008)  
M Sperber (appointed 15 December 2008)  
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 £657,000 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, Mr Sperber 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

22 January 2009

## **Premier Marinas Holdings Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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. 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 UK 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 and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **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 52 weeks ended 30 March 2008 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 30. 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 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 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 2008 and of the group's loss 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 LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
London

*29 January* 2009



## Premier Marinas Holdings Limited

### Consolidated profit and loss account 52 weeks ended 30 March 2008

	Notes	2008 £'000	2007 £'000
<b>Turnover</b>	1,2	29,807	28,203
Cost of sales		(18,985)	(17,987)
<b>Gross profit</b>		<u>10,822</u>	<u>10,216</u>
Administrative expenses	3	(5,200)	(2,417)
Exceptional amounts written off current assets	2	(2,660)	-
<b>Operating profit</b>		<u>2,962</u>	<u>7,799</u>
Interest payable	7	(7,306)	(6,382)
<b>(Loss)/profit on ordinary activities before taxation</b>	2,4	(4,344)	1,417
Tax (credit)/charge on profit/(loss) on ordinary activities	8	<u>1,185</u>	<u>(296)</u>
<b>(Loss)/profit for the financial period</b>	20	<u>(3,159)</u>	<u>1,121</u>

There were no other recognised gains or losses in the period, 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 30 March 2008

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Goodwill	10	2,449	881
Negative goodwill	10	(4,935)	(5,638)
		<hr/>	<hr/>
Intangible assets		(2,486)	(4,757)
Tangible assets	11	130,490	114,802
		<hr/>	<hr/>
		128,004	110,045
<b>Current assets</b>			
Stocks	13	3,145	2,208
Property Stock	13	2,692	2,209
Development work in progress	14	1,383	1,549
Debtors	15	2,034	2,343
Cash at bank and in hand		743	1,959
		<hr/>	<hr/>
		9,997	10,268
<b>Creditors: amounts falling due within one year</b>	16	(13,481)	(12,702)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(3,484)	(2,434)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		124,520	107,611
<b>Creditors: amounts falling due after more than one year</b>	16	(116,674)	(98,943)
		<hr/>	<hr/>
<b>Provisions for liabilities</b>	17	(4,416)	(2,079)
		<hr/>	<hr/>
<b>Net assets</b>		3,430	6,589
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	18	9,856	9,856
Profit and loss account deficit	20	(6,426)	(3,267)
		<hr/>	<hr/>
<b>Shareholders' funds</b>	21	3,430	6,589
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board of Directors on 12<sup>th</sup> January 2009.

Signed on behalf of the Board of Directors



R J Boissier  
Director



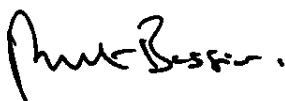
N Patel  
Director

## Premier Marinas Holdings Limited

### Company balance sheet 30 March 2008

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Investments	12	54,709	54,709
		<u>54,709</u>	<u>54,709</u>
<b>Current assets</b>			
Debtors	15	33,425	18,175
		<u>33,425</u>	<u>18,175</u>
<b>Creditors: amounts falling due within one year</b>	16	(576)	(450)
<b>Net current assets</b>		<u>32,849</u>	<u>17,725</u>
<b>Total assets less current liabilities</b>		87,558	72,434
<b>Creditors: amounts falling due after more than one year</b>	16	(78,277)	(63,027)
<b>Net assets</b>		<u>9,281</u>	<u>9,407</u>
<b>Capital and reserves</b>			
Called up share capital	18	9,856	9,856
Profit and loss account deficit	20	(575)	(449)
<b>Shareholders' funds</b>	21	<u>9,281</u>	<u>9,407</u>

These financial statements were approved and authorised for issue by the Board of Directors on <sup>22nd</sup> January 2009.  
Signed on behalf of the Board of Directors



R J Boissier  
Director



N Patel  
Director

## Premier Marinas Holdings Limited

### Consolidated cash flow statement 52 weeks ended 30 March 2008

	Notes	2008 £'000	2007 £'000
Net cash inflow from operating activities	24	6,790	10,273
Returns on investments and servicing of finance	25	(7,306)	(6,382)
Taxation	25	(81)	(37)
Capital expenditure and financial investment	25	(2,856)	(1,843)
Dividends paid		-	(2,000)
Acquisitions and disposals	25	(15,513)	-
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>		<b>(18,966)</b>	<b>11</b>
Financing: issue of shares	25	-	-
Increase in debt	25	17,750	(24)
<b>Decrease in cash in the period</b>		<b>(1,216)</b>	<b>(13)</b>

## Premier Marinas Holdings Limited

### Notes to the accounts

#### 52 weeks ended 30 March 2008

##### 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 period and prior period.

###### Consolidation

The consolidated financial statements incorporate the results of Premier Marinas Holdings Limited and its subsidiary undertakings for the period ended 30 March 2008.

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 period 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.

###### 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**

**52 weeks ended 30 March 2008**

#### **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**

**52 weeks ended 30 March 2008**

#### **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 period 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

#### 52 weeks ended 30 March 2008

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

	2008		2007	
	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	20,008	(2,820)	17,303	162
Boat sales and brokerage	7,627	(99)	6,458	(1,088)
Rent and service charge from properties	2,172	657	4,442	1,637
Central items – net goodwill written back	-	578	-	706
Property development	-	(2,660)	-	-
	<u>29,807</u>	<u>(4,344)</u>	<u>28,203</u>	<u>1,417</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.

Attributable pre-tax profit for marina berth fees and associated marina goods and services includes £2,050,000 charged to the profit and loss account for a long term incentive scheme (2007: £nil). Details of the scheme can be found in note 17.

The Premier group regularly explores opportunities to develop its land and other property. If property development projects become unlikely to proceed in the foreseeable future, the associated costs are written off to the profit and loss account.

#### 3. Administrative expenses

	2008	2007
	£'000	£'000
Salary costs	1,295	1,441
Legal and professional fees	379	275
Long term incentive	2,050	-
Administration and motor costs	913	502
Marketing	484	536
	<u>5,121</u>	<u>2,754</u>
Ongoing expenses		
Management charges	657	675
Negative goodwill written back	(703)	(706)
Positive goodwill written off	125	-
Disposal of negative goodwill related to asset sold	-	(306)
	<u>5,200</u>	<u>2,417</u>



## Premier Marinas Holdings Limited

### Notes to the accounts

52 weeks ended 30 March 2008

#### 4. Loss/profit on ordinary activities before taxation

	2008 £'000	2007 £'000
Is stated after charging/(crediting):		
Company - for audit services	6	5
Group - for audit services	65	69
Depreciation of owned fixed assets	2,130	1,678
Negative goodwill written back	(703)	(706)
Positive goodwill written off	125	-
Disposal of negative goodwill related to brand	-	(306)
Operating leases - hire of plant and machinery	84	135
- other	777	643
Loss on disposal of fixed assets	-	104

The analysis of auditors' remuneration is as follows:

	2008 £'000	2007 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	6	5
The audit of the company's subsidiaries pursuant to legislation	65	69
Total audit fees	71	74
Fees payable to the Company's auditors and their associates for other services to the Group		
Tax services	35	35
Due diligence	-	25
Total non-audit fees	35	60

#### 5. Employees

The company had no employees in the period. Group staff costs during the period were:

	2008 £'000	2007 £'000
Wages and salaries	4,019	3,700
Social security costs	395	283
Pension costs	179	143
	4,593	4,126

The average weekly number of group employees and directors during the period were:

	2008 £'000	2007 £'000
Marina operations	149	128
Administration	37	32
	186	160

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 6. Directors' emoluments

	2008 £'000	2007 £'000
Directors' emoluments	20	20
Pension contributions	-	-
	<u>20</u>	<u>20</u>
	2008 £'000	2007 £'000
Highest paid Director:		
Salary and fees	20	20
Bonuses	-	-
Taxable benefits	-	-
	<u>20</u>	<u>20</u>

During the period, the group paid management fees totalling £657,000 (2007 – £647,000) to Harlyn Asset Management Limited, a company owned by R J Boissier who is a director of Premier Marinas Holdings Limited.

#### 7. Interest payable

	2008 £'000	2007 £'000
Preference share interest	16	12
Bank interest	2,192	2,066
Loan stock interest	5,098	4,304
	<u>7,306</u>	<u>6,382</u>

## Premier Marinas Holdings Limited

### Notes to the accounts

52 weeks ended 30 March 2008

#### 8. Tax (credit)/charge on (loss)/profit on ordinary activities

	2008 £'000	2007 £'000
United Kingdom corporation tax at 30% (2007: 30%)	(24)	177
Total current tax	(24)	177
Origination of timing differences	(1,161)	119
	<u>(1,185)</u>	<u>296</u>

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 30% (2007: 30%).  
The actual tax charge for the current period and the previous period is lower than the standard rate for the reasons set out in the following reconciliation.

	2008 £'000	2007 £'000
(Loss)/profit on ordinary activities before tax	(4,344)	1,417
(Credit)/tax on loss on ordinary activities at standard rate	(1,303)	425
Factors affecting charge for the period:		
Capital allowances for period in excess of depreciation	(345)	(95)
Other permanent differences	615	(273)
Other tax adjustments	1,009	120
Total actual amount of current tax	<u>(24)</u>	<u>177</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 52 weeks ended 30 March 2008

#### 9. Dividends

	2008 £'000	2007 £'000
Interim ordinary dividend nil (2007: 20.29 pence per share)	-	2,000

#### 10. Intangible fixed assets – goodwill

Group	Positive goodwill £'000	Negative goodwill £'000	Total £'000
<b>Cost</b>			
At 1 April 2007	881	(6,994)	(6,113)
Addition in the period	1,693	-	1,693
At 30 March 2008	2,574	(6,994)	(4,420)
<b>Amortisation</b>			
At 1 April 2007	-	1,356	1,356
Positive goodwill written off	(125)	-	(125)
Negative goodwill written back	-	703	703
At 30 March 2008	(125)	2,059	1,934
<b>Net book value</b>			
At 30 March 2008	2,449	(4,935)	(2,486)
At 31 March 2007	881	(5,638)	(4,757)

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 26.

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 11. 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
<b>Cost/valuation</b>						
At 1 April 2007	71,341	33,853	2,163	9,999	7,339	124,695
Additions	16,428	700	-	-	4,279	21,407
Disposals	-	-	-	-	(346)	(346)
At 30 March 2008	<u>87,769</u>	<u>34,553</u>	<u>2,163</u>	<u>9,999</u>	<u>11,272</u>	<u>145,756</u>
<b>Depreciation</b>						
At 1 April 2007	2,102	767	645	3,033	3,346	9,893
Additions	342	1,866	-	-	1,219	3,427
Charge for the period	282	262	49	517	1,020	2,130
Disposals	-	-	-	-	(184)	(184)
At 30 March 2008	<u>2,726</u>	<u>2,895</u>	<u>694</u>	<u>3,550</u>	<u>5,401</u>	<u>15,266</u>
<b>Net book value</b>						
At 30 March 2008	<u>85,043</u>	<u>31,658</u>	<u>1,469</u>	<u>6,449</u>	<u>5,871</u>	<u>130,490</u>
At 31 March 2007	<u>69,239</u>	<u>33,086</u>	<u>1,518</u>	<u>6,966</u>	<u>3,993</u>	<u>114,802</u>

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 12. Investments – company

	Investment in subsidiary undertakings £'000
Cost and net book value	
At 1 April 2007	54,709
Additions	-
At 30 March 2008	54,709

Premier Marinas Limited is held directly by Premier Marinas Holdings Limited.

The principal operating subsidiary undertakings at 30 March 2008 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%
Premier Marinas (Eastbourne) 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	Intermediate holding company	Ordinary shares 100%

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 13. Stocks and property stock

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Finished goods and goods for resale	3,145	-	2,208	-
Property stock	2,692	-	2,209	-

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

#### 14. Development work in progress

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Work in progress	1,383	-	1,549	-

#### 15. Debtors

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	1,546	-	1,280	-
Amounts owed by subsidiary undertaking	-	33,425	-	18,175
Amount owed by parent undertaking	68	-	-	-
Other debtors	84	-	723	-
Prepayments and accrued income	336	-	340	-
	2,034	33,425	2,343	18,175

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 16. Creditors

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Amounts falling due within one year</b>				
Trade creditors	650	-	615	-
Corporation tax	322	-	65	-
Other taxation and social security	977	-	1,110	-
Other creditors	237	462	237	421
Accruals and deferred income	11,295	-	10,675	-
Inter group creditors	-	114	-	29
	<u>13,481</u>	<u>576</u>	<u>12,702</u>	<u>450</u>
<b>Amounts falling due after more than one year</b>				
Unsecured loan stock	78,277	78,277	63,027	63,027
Bank loan	37,694	-	35,194	-
Minority interest preference shares (note 20)	373	-	373	-
Accruals and deferred income	330	-	349	-
	<u>116,674</u>	<u>78,277</u>	<u>98,943</u>	<u>63,027</u>

The bank loan is repayable as follows:

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Within two to three years	<u>37,694</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%. 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 four year bank loan facility of £45 million (2007 – £45 million) 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 52 weeks ended 30 March 2008

#### 16. 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	2008 Floating rate £000	Fixed rate £000	Total £000	2007 Floating rate £000	Fixed rate £000
Sterling	37,694	7,819	29,875	35,194	-	35,194
<b>Total</b>	<b>37,694</b>	<b>7,819</b>	<b>29,875</b>	<b>35,194</b>	<b>-</b>	<b>35,194</b>

The average fixed rate of interest is 5.78% (2007 – 5.70%). The fair value of the interest rate swaps at 30 March 2008 was £29,130 (2007 – £479,535).

#### 17. Provisions for liabilities

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

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Deferred tax</b>				
At 1 April 2007	2,079	-	1,960	-
Increase in provisions	287	-	119	-
At 30 March 2008	<u>2,366</u>	<u>-</u>	<u>2,079</u>	<u>-</u>
<b>Long-term incentives</b>				
At 1 April 2007	-	-	-	-
Increase in provisions	2,050	-	-	-
At 30 March 2008	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Provisions for liabilities</b>	<u><b>4,416</b></u>	<u><b>-</b></u>	<u><b>2,079</b></u>	<u><b>-</b></u>

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 17. Provisions for liabilities (continued)

Deferred tax	2008		2007	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
<b>Group</b>				
Accelerated capital allowances	2,366	-	2,079	-
Provision	<u>2,366</u>	<u>-</u>	<u>2,079</u>	<u>-</u>
<b>Company</b>				
Accelerated capital allowances	-	-	-	-
Provision	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

#### Long-term incentive scheme

Some of the directors and senior managers of Premier Marinas Limited, a wholly owned subsidiary of Premier Marinas Holdings Limited, participate in a long term incentive bonus scheme which commenced in August 2005 and matures in August 2010. Payments under the scheme are conditional upon the shareholders achieving an internal rate of return on their investment in excess of the higher of 1) 10%; or 2) the AREF All Balanced Funds Index plus 1% over the period. The latest projection indicates that returns will exceed the AREF index, over the scheme cycle, by a sufficient margin to trigger bonus payments and provision has therefore been made for the anticipated future liability.

#### 18. Share capital

	2008 £'000	2007 £'000
<b>Authorised:</b>		
20,000,000 £1 ordinary shares	<u>20,000</u>	<u>20,000</u>
<b>Allotted, called up and fully paid</b>		
9,856,305 £1 ordinary shares	<u>9,856</u>	<u>9,856</u>

#### 19. Minority interest

	2008 £	2007 £
<b>Group</b>		
At 1 April 2007	373	397
Preference share bought back	<u>-</u>	<u>(24)</u>
At 30 March 2008	<u>373</u>	<u>373</u>

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.

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 20. Reserves

	Profit and loss account deficit £'000
<b>Group</b>	
At 1 April 2007	(3,267)
Retained loss for the period	(3,159)
	<hr/>
At 30 March 2008	(6,426)
	<hr/>
<b>Company</b>	
At 1 April 2007	(449)
Retained loss for the period	(126)
	<hr/>
At 30 March 2008	(575)
	<hr/>

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

#### 52 weeks ended 30 March 2008

##### 21. Reconciliation of movement in shareholders' funds

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
(Loss)/profit for the financial year	(3,159)	(3,055)	1,121	(2,786)
Dividend received/(paid)	-	2,929	(2,000)	4,635
Issue of share capital	-	-	-	-
Net (decrease)/increase to shareholders funds/(deficit)	(3,159)	(126)	(879)	1,849
Opening shareholders' funds	6,589	9,407	7,468	7,558
Closing shareholders' funds	3,430	9,281	6,589	9,407

##### 22. Capital commitments

- (i) At 30 March 2008 the Group had contracted capital commitments of £86,000 (2007: £189,000).
- (ii) At 30 March 2008 the Company had contracted capital commitments of £nil.
- (iii) Annual commitments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	-	-	-	40
In the second to fifth years	-	84	-	95
Over five years	777	-	643	-
	777	84	643	135

##### 23. Pensions

During the period 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 period they are incurred. The pension charge cost for the period was £179,000 (2007 - £143,000). The balance outstanding as at 30 March 2008 was £15,000 (2007 - £12,000).

## Premier Marinas Holdings Limited

### Notes to the accounts

52 weeks ended 30 March 2008

#### 24. Reconciliation of operating profit to net cash inflow from operating activities

	2008 £'000	2007 £'000
Operating profit	2,962	7,799
Negative goodwill written back	(703)	(706)
Positive goodwill written off	125	-
Disposal of negative goodwill	-	(306)
Loss on disposal of fixed assets	-	104
Depreciation	2,130	1,678
(Increase)/decrease in stock	(937)	1,839
(Increase)/decrease in property stock	(483)	1,294
Decrease/(increase) in development work in progress	166	(408)
Decrease in debtors	302	1,085
Increase/(decrease) in creditors	3,228	(2,106)
<b>Net cash inflow from operating activities</b>	<b>6,790</b>	<b>10,273</b>

#### 25. Analysis of cash flows for heading netted in the cash flow statement

	Note	2008 £'000	2007 £'000
<b>Returns on investment and servicing of finance</b>			
Interest paid		7,290	6,370
Non-equity dividends paid to minority		16	12
		<u>7,306</u>	<u>6,382</u>
<b>Taxation</b>			
UK corporation tax paid		81	37
		<u>81</u>	<u>37</u>
<b>Capital expenditure</b>			
Purchase of tangible assets		2,856	1,843
		<u>2,856</u>	<u>1,843</u>
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings, Premier Marinas (Eastbourne) Limited	27	17,138	-
Net cash acquired		(1,625)	-
		<u>15,513</u>	<u>-</u>
<b>Financing</b>			
Issue of shares		-	-
Loan received from parent company		15,250	-
Loan received from bank		2,500	-
Buy back of preference share		-	(24)
		<u>17,750</u>	<u>(24)</u>

## Premier Marinas Holdings Limited

### Notes to the accounts

#### 52 weeks ended 30 March 2008

##### 26. Acquisition of subsidiary undertaking

On 7 July 2007 Premier Marinas Limited, a subsidiary of Premier Marinas Holdings Limited, acquired 100% of the issued share capital of Sovereign Harbour Marina Limited (subsequently renamed Premier Marinas (Eastbourne) Limited) for a consideration satisfied in cash. The fair value of the total consideration was £17,138,000.

The preliminary fair value adjustments recorded in the 31 March 2007 financial statements are summarised below:

	Book value £000	Revaluation n £000	Other significant items £000	Fair value to group £000
<b>Fixed Assets</b>				
Tangible	6,725	8,275	-	15,000
Intangible	-	-	-	-
<b>Current assets</b>				
Stock	34	-	-	34
Debtors	765	-	-	765
Cash	2,422	-	-	2,422
<b>Total assets</b>	<u>9,946</u>	<u>8,275</u>	<u>-</u>	<u>18,221</u>
<b>Creditors</b>	(1,276)	-	-	(1,276)
<b>Provisions</b>	(1,500)	-	-	(1,500)
<b>Total liabilities</b>	<u>(2,776)</u>	<u>-</u>	<u>-</u>	<u>(2,776)</u>
<b>Net assets</b>	<u>7,170</u>	<u>8,275</u>	<u>-</u>	<u>15,445</u>
Goodwill				<u>1,693</u>
				<u>17,138</u>
<b>Satisfied by</b>				
Cash				<u>17,138</u>

## Premier Marinas Holdings Limited

### Notes to the accounts 52 weeks ended 30 March 2008

#### 26. Acquisition of subsidiary undertaking (continued)

Net cash outflows in respect of the acquisition comprised:	£000
Cash consideration	14,970
Cash at bank and in hand acquired	1,625
Costs associated with acquisition	543
	<hr/>
	17,138
	<hr/>

An amount of £nil has been charged to the Group profit and loss account in respect of costs incurred in reorganising, restructuring and integrating the acquisition in the period from 7 July 2007 to 30 March 2008.

Premier Marinas (Eastbourne) Limited earned a profit after taxation of £760,000 in the period ended 30 March 2008 (year ended 31 December 2006: £1,277,348), of which £182,000 arose in the period from 1 January 2007 to 7 July 2007.

On 18 August 2005 the group 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

#### 52 weeks ended 30 March 2008

#### 27. Analysis of movement in net debt

	31 March 2007 £'000	Cash flow £'000	31 March 2008 £'000
Cash at bank and in hand (net of overdraft)	1,959	(1,216)	743
Bank loan	(35,194)	(2,500)	(37,694)
Loan notes	(63,027)	(15,250)	(78,277)
Net debt	<u>(96,262)</u>	<u>(18,966)</u>	<u>(115,228)</u>
			2008 £'000
Decrease in cash and net funds in the period			(1,216)
Bank loan			(2,500)
Loan notes			(15,250)
Movements in net debt in the period			<u>(18,966)</u>
Net debt at the beginning of the period			<u>(96,262)</u>
Net debt at the end of the period			<u>(115,228)</u>

#### 28. 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 facility was renewed for a further year on 14 May 2008. The terms of the facility allow Premier Marinas Limited to extend the repayment date by a further three years at the end of the one year term. The loan is secured by a fixed and floating charge over the assets of the group.

#### 29. 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.

#### 30. Related party transactions

During the period to 30 March 2008 Harlyn Asset Management Limited charged management fees totalling £657,000 (2007 – £647,000) to Premier Marinas Holdings Limited and its subsidiaries.