

DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD FROM 24 OCTOBER 1994 TO 31 DECEMBER 1995



DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

DIRECTORS AND OFFICERS

Directors	R F Speedie	(Appointed 16.12.94)
	M M Pride	(Appointed 16.12.94)
	A J Armstrong	(Appointed 16.12.94)

Secretary	J F S Parker
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Registered office	Inter-City House 80 Oswald Street GLASGOW G1 4PX
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Auditors	Arthur Andersen 199 St Vincent Street GLASGOW G2 5QD
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DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

DIRECTORS' REPORT

The Directors submit their report and accounts for the period from 24 October 1994 to 31 December 1995.

Incorporation

The company was incorporated on 24 October 1994 in the name of Denholm Yacht Management Limited.

Results and dividends

The profit for the period after taxation was £15,788 and has been dealt with as shown in the profit and loss account.

The Directors do not recommend a dividend for the period from 24 October 1994 to 31 December 1995.

Principal activity and review of the business

The company provides a liaison and marketing function in the south of France for a fellow subsidiary undertaking.

Although valuable market information was gathered during the period, it was decided to close the office in France on 29 February 1996 and consequently the company has ceased trading.

Directors and their interests

The Directors who served during the period are as listed on page 2.

No Directors at any time owned shares in the company.


Statement of Directors' Responsibilities

The Directors of Denholm Yacht Management Limited are required by UK company law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the profit or loss for the year. They are also responsible for ensuring that proper and adequate accounting records have been maintained, and that reasonable procedures have been followed for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Appropriate accounting policies, which follow generally accepted accounting practice and are explained in the notes to the accounts, have been applied consistently. In addition, reasonable and prudent judgements and estimates have been used in the preparation of the accounts.

Close company provisions

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By order of the Board on 25 March 1996



J F S PARKER
Secretary

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF DENHOLM YACHT MANAGEMENT LIMITED

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

The company is exempt from the requirement of FRS1 to include a cash flow statement as part of its accounts as it is a wholly owned subsidiary of an EC registered parent whose consolidated accounts include a consolidated cash flow statement.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

199 St Vincent Street
GLASGOW
G2 5QD

25 March 1996.

DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

PROFIT AND LOSS ACCOUNT
for the period from 24 October 1994 to 31 December 1995

	Notes	Period from 24 October 1994 to 31 December 1995 £
TURNOVER	2	192,252
		<u>192,252</u>
GROSS PROFIT		192,252
Administrative expenses		(174,097)
Other operating income	4	4,924
		<u>23,079</u>
OPERATING RESULT		23,079
Investment income	5	1,555
		<u>1,555</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	24,634
Taxation	6	(8,846)
		<u>15,788</u>
RETAINED PROFIT FOR THE YEAR	11	<u>15,788</u>

Statement of Total Recognised Gains and Losses
for the period from 24 October 1994 to 31 December 1995

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £15,788 in the period from 24 October 1994 to 31 December 1995.

The notes on pages 7 to 10 form part of these accounts.

DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

BALANCE SHEET
at 31 December 1995

	Notes	1995 £
FIXED ASSETS		
Tangible assets	7	17,345
CURRENT ASSETS		
Debtors	8	153,242
Cash at bank		2,325
		155,567
CREDITORS		
Amounts falling due within one year	9	(157,122)
NET CURRENT LIABILITIES		(1,555)
TOTAL ASSETS LESS CURRENT LIABILITIES		15,790
CAPITAL AND RESERVES		
Called up share capital	10	2
Profit and loss account	11	15,788
		15,790

Approved by the Board on 25 March 1996



M M PRIDE
Director

The notes on pages 7 to 10 form part of these accounts.

NOTES TO THE ACCOUNTS

for the period from 24 October 1994 to 31 December 1995

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Foreign currencies

Translations denominated in foreign currencies are recorded at the rates ruling at the date of the transactions. Monetary liabilities and assets are translated at year end exchange rates and the resulting exchange differences are dealt with in the profit and loss account.

(c) Pension contributions

The Group operates a defined benefit pension scheme in respect of the employees of J. & J. Denholm Limited and the majority of its subsidiary and associated undertakings in the United Kingdom. Pension benefits are funded by payments to a trustee administered fund.

The company's contributions are based on the most recent valuation of the fund and are charged to the profit and loss account as incurred.

(d) Depreciation

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

Furniture & fittings	- over 5 years
Computer equipment	- over 4 years
Motor vehicles	- over 4 years
Computer software	- over 4 years

DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

NOTES TO THE ACCOUNTS

for the period from 24 October 1994 to 31 December 1995

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES

- (i) Turnover is stated exclusive of value added tax and represents the fee for services rendered.

Period from
24 October 1994
to 31 December 1995

Analysis of turnover by geographical
location is as follows:
United Kingdom
Overseas

£
192,252
-
192,252

- (ii) Profit on ordinary activities
is arrived at after charging:

Period from
24 October 1994
to 31 December 1995

Auditors' remuneration
Depreciation

£
1,000
5,661

3. EMPLOYEES

Period from
24 October 1994
to 31 December 1995
Number

- (i) The average number of employees was:

Office and Management

1

- (ii) The costs of employment of staff
comprise the following:

Period from
24 October 1994
to 31 December 1995

Wages and salaries
Social security contributions
Pension costs

£
52,833
2,780
3,124
58,737

4. OTHER OPERATING INCOME

Period from
24 October 1994
to 31 December 1995

Foreign exchange gains

£
4,924

DENHOLM YACHT MANAGEMENT LIMITED
(Incorporated 24 October 1994)

NOTES TO THE ACCOUNTS

for the period from 24 October 1994 to 31 December 1995

5. INTEREST RECEIVABLE

Period from
24 October 1994
to 31 December 1995
£
1,555

Received on short term deposits

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Period from
24 October 1994
to 31 December 1995
£

The charge based on the result for
the period comprises:

Corporation tax at 33% 8,846

7. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Computer Equipment £	Motor Vehicles £	Computer Software £	Total £
Cost					
Additions	1,358	3,828	17,091	729	23,006
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	1,358	3,828	17,091	729	23,006
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
Charge for period	249	957	4,273	182	5,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	249	957	4,273	182	5,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts					
At 31 December 1995	1,109	2,871	12,818	547	17,345
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

8. DEBTORS

1995
£

Amounts due from parent and fellow
subsidiary undertaking 140,480

Prepayments and accrued income 8,646

Other debtors 4,116

153,242

DENHOLM YACHT MANAGEMENT LIMITED
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NOTES TO THE ACCOUNTS

for the period from 24 October 1994 to 31 December 1995

9. CREDITORS	1995 £
Amounts falling due within one year:	
Amounts due to immediate parent undertaking	138,840
Current corporation tax	8,846
Accruals and deferred income	9,436
	<u>157,122</u>

10. SHARE CAPITAL	1995 £
Authorised:	
Ordinary shares of £1 each	100
	<u> </u>
	£
Allotted and called up:	
Ordinary shares of £1 each	2
	<u> </u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	1995 Total £
2 £1 shares issued (note 10)	2	-	2
Profit for the year	-	15,788	15,788
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1995	2	15,788	15,790
	<u> </u>	<u> </u>	<u> </u>

12. PENSION CONTRIBUTIONS

The Group operates a funded defined benefit pension scheme. Pension fund liabilities are assessed by professionally qualified actuaries at triennial valuations. The latest actuarial assessment of the scheme was at 30 June 1995 and the information in respect of the valuation as required by S.S.A.P. 24 "Accounting for Pension Costs", is detailed in the accounts of J. & J. Denholm Limited.

13. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Denholm Ship Management (Holdings) Limited, a company registered in Scotland. Copies of the accounts of Denholm Ship Management (Holdings) Limited may be obtained from the Registrar of Companies as detailed below.

The ultimate parent undertaking is J. & J. Denholm Limited, a company registered in Scotland. Copies of the accounts of J. & J. Denholm Limited may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.