

SOBSTAD SAILMAKERS (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1998



SOBSTÅD SAILMAKERS (UK) LIMITED

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SOBSTAD SAILMAKERS (UK) LIMITED

AUDITORS' REPORT TO SOBSTAD SAILMAKERS (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of the company for the year ended 30 September 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

Other information

On we reported, as auditors of SOBSTAD SAILMAKERS (UK) LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 September 1998, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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, except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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. However, the evidence available to us was limited because we were not able to attend the stocktake. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements .

SOBSTAD SAILMAKERS (UK) LIMITED

AUDITORS' REPORT TO SOBSTAD SAILMAKERS (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the quantity of stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the quantity of stock:

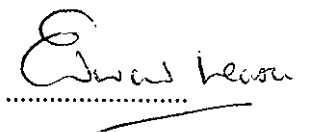
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained."

Edward Leask Chartered Accountants,

Chartered Accountants

Registered Auditor

31 January 1999


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The Old Treasury, 7 Kings Road,
Portsmouth,
Hampshire,
PO5 4DJ

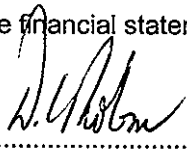
SOBSTAD SAILMAKERS (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Intangible assets	2	39,047		51,061	
Tangible assets	2	143,756		133,165	
		<u>182,803</u>		<u>184,226</u>	
Current assets					
Stocks		103,712		105,876	
Debtors		105,584		126,901	
Cash at bank and in hand		53,109		2,190	
		<u>262,405</u>		<u>234,967</u>	
Creditors: amounts falling due within one year		<u>(227,575)</u>		<u>(191,680)</u>	
Net current assets		<u>34,830</u>		<u>43,287</u>	
Total assets less current liabilities		<u>217,633</u>		<u>227,513</u>	
Creditors: amounts falling due after more than one year		<u>(102,551)</u>		<u>(127,622)</u>	
		<u>115,082</u>		<u>99,891</u>	
Capital and reserves					
Called up share capital	3	90		90	
Profit and loss account		114,992		99,801	
Shareholders' funds		<u>115,082</u>		<u>99,891</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 31 January 1999



D.C. Robinson
Director

SOBSTAD SAILMAKERS (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1998

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	
Plant and machinery	10% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	20% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

SOBSTAD SAILMAKERS (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1998

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 October 1997	60,071	197,000	257,071
Additions	-	34,772	34,772
Disposals	-	(1,689)	(1,689)
At 30 September 1998	60,071	230,083	290,154
Depreciation			
At 1 October 1997	9,010	63,835	72,845
On disposals	-	(1,559)	(1,559)
Charge for the year	12,014	24,051	36,065
At 30 September 1998	21,024	86,327	107,351
Net book value			
At 30 September 1998	39,047	143,756	182,803
At 30 September 1997	51,061	133,165	184,226

3 Share capital

	1998 £	1997 £
Authorised		
100 Ordinary of £1 each	100	100
Allotted, called up and fully paid		
90 Ordinary of £1 each	90	90