

DIRECTORS

M.C. Broom (Chairman and Managing)
J.A. Broom

SECRETARY

J.A. Broom

REGISTERED OFFICE

The Yacht Station
Brundall
Norfolk

AUDITORS

Lovewell Blake
Chartered Accountants
102 Prince of Wales Road
Norwich

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH NOVEMBER 1989

The directors present herewith the audited accounts for the year ended 30th November 1989.

Review of activities

The company's main activities are unchanged since last year and are principally those of boat traders.

The directors expect the current level of profitability to be maintained for the foreseeable future.

The profit for the year has been added to the balance on the profit and loss account.

Directors

The directors named above held office throughout the year.

In accordance with the articles of association Mrs J.A. Broom will retire at the annual general meeting and, being eligible, offers herself for re-election.

The interests of the directors of the company at 30th November 1989 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:-

	<u>Ordinary shares</u> <u>30th November 1989 and 1988</u>	
	<u>Beneficial</u> <u>holding</u>	<u>Trustee</u> <u>holding</u>
M.C. Broom	400	1,200
J.A. Broom	400	1,200

Of the shares attributed to directors under trustee holding certain interests are duplicated where directors are joint trustees. The total amount of duplication is 1,200 (1988-1989).

C.J. BROOM & SONS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Close company provisions

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

Auditors

A resolution to re-appoint Lovewell Blake will be proposed at the annual general meeting.

By order of the board

Brundall

J.A. BROOM

1st May 1990

Secretary

REPORT OF THE AUDITORS

TO THE MEMBERS OF

C.J. BROOM & SONS LIMITED

In our opinion the directors are entitled under Sections 247 to 250 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 30th November 1989 and in particular the modified accounts have been properly prepared in accordance with Schedule 8 to that Act.

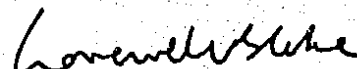
We reported, as auditors of Broom Boats Limited to the members on 1st May 1990 on the company's accounts prepared under Section 227 of the Companies Act 185 for the year ended 30th November 1989 as follows:

We have audited the accounts on pages 4 to 10 in accordance with auditing standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th November 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

102 Prince of Wales Road
Norwich

1st May 1990


LOVEWELL BLAKE

Chartered Accountants

C.J. BROOM & SONS LIMITED
PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30TH NOVEMBER 1989

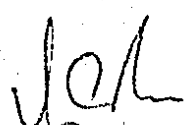
(Modified in accordance with the provisions of the Companies Act 1985)

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
Gross profit		185,150	150,590
Distribution costs		163,047	151,485
Administrative expenses		<u>19,251</u>	<u>23,302</u>
		<u>182,298</u>	<u>174,787</u>
		2,852	(24,197)
Other operating income	3	<u>47,124</u>	<u>47,763</u>
Profit on ordinary activities before taxation	4	49,976	23,566
Tax on profit on ordinary activities	5	<u>13,534</u>	<u>6,285</u>
		36,442	17,281
Balance 1st December 1988		<u>63,853</u>	<u>46,572</u>
Balance 30th November 1989		<u>£100,295</u>	<u>£63,853</u>

C.J. BROOM & SONS LIMITED
BALANCE SHEET 30TH NOVEMBER 1989

(Modified in accordance with the provisions of the Companies Act 1985)

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
FIXED ASSETS			
Tangible assets	7	2	2
CURRENT ASSETS			
Debtors	8	1,462,327	1,383,424
Cash and bank balance		<u>156</u>	<u>29,561</u>
		1,462,483	1,412,985
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>1,360,190</u>	<u>1,347,134</u>
NET CURRENT ASSETS		<u>102,293</u>	<u>65,851</u>
		£102,295	£65,853
CAPITAL AND RESERVES			
Called up share capital	10	2,000	2,000
Reserves		<u>100,295</u>	<u>63,853</u>
Profit and loss account		£102,295	£65,863


 M.C. BROOM)
 Jennifer A Broom J.A. BROOM) Directors

These accounts were approved by the board of directors on 1st May 1990.

C.J. BROOM & SONS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH NOVEMBER 1989

(Modified in accordance with the provisions of the Companies Act 1985)

	<u>1989</u>	<u>1988</u>
SOURCE OF FUNDS		
Generated from operations		
Profit before taxation	<u>49,976</u>	<u>23,566</u>
TOTAL SOURCE OF FUNDS	49,976	23,566
APPLICATION OF FUNDS		
Taxation paid	<u>5,133</u>	<u>4,410</u>
NET SOURCE OF FUNDS	<u>£44,843</u>	<u>£19,156</u>
Represented by		
MOVEMENTS IN WORKING CAPITAL		
Debtors	78,903	382,736
Creditors	<u>(1,827)</u>	<u>(392,756)</u>
	77,076	(10,020)
MOVEMENTS IN NET LIQUID FUNDS		
Cash and bank	<u>(32,233)</u>	<u>29,176</u>
	<u>£44,843</u>	<u>£19,156</u>

C.J. BROOM & SONS LIMITED

NOTES TO THE ACCOUNTS - 30TH NOVEMBER 1989

(Modified in accordance with the provisions of the Companies Act 1985)

1. Principal accounting policies(a) Basis of accounting

The accounts are prepared under the historical cost basis of accounting.

(b) Depreciation

Depreciation is provided on fixed assets at rates sufficient to write off, on a straight line basis, the cost of the assets over their expected useful lives. The principal annual rates used for this purpose, which are consistent with those of last year, are:

	£
Motor vehicles	25
Office equipment	10

(c) Deferred taxation

Provision is made for deferred taxation where, in the opinion of the directors, it is likely to be payable in the foreseeable future.

(d) Pension Scheme

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the profit and loss account represents the contributions payable by the company to the fund for the year.

2. Geographical analysis of turnover3. Other operating income

	1989	1988
Commission receivable	39,974	41,263
Management fee	<u>7,150</u>	<u>6,500</u>
	<u>£47,124</u>	<u>£47,763</u>

C.J. BROOM & SONS LIMITED

NOTES TO THE ACCOUNTS - 30TH NOVEMBER 1989 (CONTINUED)

(Modified in accordance with the provisions of the Companies Act 1985)

4. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following amounts:

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Auditors remuneration	2,000	1,950

5. Tax on profit on ordinary activities

	<u>1989</u>	<u>1988</u>
Corporation tax for the year at 26.58% (1988 25.67%)		
Taxation payable	£13,534	£6,285

6. Employee information

a) The average number of persons employed by the company during the year including directors is analysed below:

	<u>1989</u>	<u>1988</u>
Selling	2	2
Administration	3	3
	5	5
	-	-

b) Staff costs

Gross wages and salaries	42,289	42,630
Social security costs	4,360	4,261
Pension contributions	<u>3,708</u>	<u>3,570</u>
	£50,357	£50,461

The directors received no remuneration from the company during the year (1988-NIL).

C.J. BROOM & SONS LIMITED

NOTES TO THE ACCOUNTS - 30TH NOVEMBER 1989 (CONTINUED)

(Modified in accordance with the provisions of the Companies Act 1985)

7. Tangible fixed assets

	<u>Total</u>	<u>Motor vehicles</u>	<u>Office equipment</u>
<u>Cost</u>			
1st December 1988 and 30th November 1989	5,393	4,715	678
<u>Depreciation</u>			
1st December 1988 and 30th November 1989	5,391	4,714	677
<u>Net book amount</u>			
30th November 1989 and 30th November 1988	£ 2	1	1

8. Debtors

Amounts falling due within one year

	<u>1989</u>	<u>1988</u>
Trade debtors	258,256	133,881
Amount owed by connected companies	1,169,561	1,218,520
Prepayments	34,510	31,023
	<u>£1,462,327</u>	<u>£1,383,424</u>

9. Creditors - amounts falling due within one year

	<u>1989</u>	<u>1988</u>
Trade creditors	15,920	15,334
Amount owed to connected company	1,321,885	1,322,525
Corporation tax payable 1st September 1990	13,534	6,285
Corporation tax payable on demand	1,152	-
Bank overdraft	2,828	-
Taxation and social security payable	1,371	1,030
Accruals	<u>3,500</u>	<u>1,950</u>
	<u>£1,360,190</u>	<u>£1,347,124</u>

C.J. BROOM & SONS LIMITED

NOTES TO THE ACCOUNTS - 30TH NOVEMBER 1989 (CONTINUED)

Modified in accordance with the provisions of the Companies Act 1985)

10. Share capital

	<u>1989</u>	<u>1988</u>
<u>Authorised</u>		
Ordinary shares of £1 each	£2,000	£2,000
	—	—
<u>Called up share capital</u>		
Ordinary shares of £1 each	£2,000	£2,000
	—	—

11. Transactions in which directors have an interest

In the normal course of business transactions have taken place with Broom Boats Limited, Aqua Fibre International Limited and Aqua Fibre Limited, companies in which both directors have an interest.

12. Contingent Liability

The company has given an unlimited guarantee in respect of the bank borrowings of Broom Boats Limited, which at the balance sheet date amounted to £117,382.