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**BROOM BOATS LIMITED**  
**ACCOUNTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2002**



**BROOM BOATS LIMITED****YEAR ENDED 30 NOVEMBER 2002**

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**DIRECTORS**

M C Broom, M.B.E. (Chairman and Managing)

J A Broom

**COMPANY SECRETARY**

J A Broom

**REGISTERED OFFICE**

The Yacht Station

Brundall

Norwich

**AUDITORS**

Lovewell Blake

102 Prince of Wales Road

Norwich

**INDEX TO ACCOUNTS**

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The following do not form part of the statutory accounts:

Summary Profit and Loss Account	20
Boatbuilding Trading Account	21
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# **BROOM BOATS LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

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The directors have pleasure in presenting their annual report and accounts for the year ended 30th November 2002.

### **Directors' responsibilities**

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and the group and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Review of the business**

The group's principal activities are those of boat builders, boat repairers and hire fleet operators.

The profit after tax for the year amounted to £280,651 as shown on page 4.

The directors consider the results for the year and the year end position to be satisfactory.

### **Fixed assets**

Movements in fixed assets are shown in the notes to the accounts.

### **Land and buildings**

The directors are of the opinion that the freehold operating land and buildings included in the balance sheet at £1,102,865 are worth more than that amount at market value on an existing use basis, but an accurate value cannot be determined without a professional valuation.

# **BROOM BOATS LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

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### **Charitable donations**

Payments of a charitable nature made during the year amounted to £1,144.

### **Directors**

The directors during the year under review and the shares in the company in which they were interested at the beginning and end of the year were:

	Ordinary shares of £1 each			
	At 30th November 2002		At 1st December 2001	
	Beneficial	As Trustee	Beneficial	As Trustee
M C Broom, M.B.E.	26,143	5,000	26,143	5,000
J A Broom	5,643	5,000	5,643	5,000

In accordance with the articles of association, Mr M C Broom, M.B.E. will retire by rotation and, being eligible, will offer himself for re-election.

### **Auditors**

The auditors, Lovewell Blake, are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Signed on behalf of the board

*Jennifer A. Broom*

J A BROOM  
**Secretary**

Date: 1 August 2003

# **BROOM BOATS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

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We have audited the financial statements on pages 4 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

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 auditor's 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 the directors and the auditors**

As described on pages 2 and 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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.

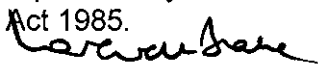
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and group as at 30 November 2002 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

  
**LOVEWELL BLAKE**  
**Chartered Accountants**  
**& Registered Auditors**

102 Prince of Wales Road  
Norwich  
NR1 1NY

11 November 2003

**BROOM BOATS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 NOVEMBER 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>	2	9,607,252	8,136,374
Cost of sales		<u>(8,225,876)</u>	<u>(6,569,701)</u>
<b>GROSS PROFIT</b>		1,381,376	1,566,673
Distribution costs		(355,989)	(365,811)
Administrative expenses		(801,982)	(1,072,569)
Other operating income		<u>122,169</u>	<u>101,210</u>
<b>OPERATING PROFIT</b>	3	345,574	229,503
Profit on disposal of tangible fixed assets		10,228	95,075
Income from fixed asset investments		30,007	-
Interest receivable		<u>10,822</u>	<u>-</u>
		396,631	324,578
Interest payable	6	<u>(934)</u>	<u>(5,904)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		395,697	318,674
Tax on profit on ordinary activities	7	<u>(115,046)</u>	<u>(98,507)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		280,651	220,167
Transfer from revaluation reserve	16	3,061	10,229
Retained profit brought forward		<u>2,422,184</u>	<u>2,191,788</u>
<b>RETAINED PROFIT AT 30 NOVEMBER 2002</b>		<u>2,705,896</u>	<u>2,422,184</u>

All amounts relate to continuing activities.

A profit for the year of £466,635 (2001: £45,663) has been dealt with in the accounts of the holding company.

There are no recognised gains or losses other than the profit for the year of £280,651 (2001: £220,167).

The notes set out on pages 9 to 19 form an integral part of these accounts

**BROOM BOATS LIMITED**

**CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

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	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
Reported profit on ordinary activities before taxation	395,697	318,674
Realisation of asset revaluation gains recognised in previous years	<u>3,826</u>	<u>12,786</u>
Historical cost profit on ordinary activities before taxation	<u>399,523</u>	<u>331,460</u>
Historical cost profit for the year retained after taxation	<u>294,329</u>	<u>232,953</u>

The notes set out on pages 9 to 19 form an integral part of these accounts

**BROOM BOATS LIMITED**

**CONSOLIDATED BALANCE SHEET**

**30 NOVEMBER 2002**

	Notes	2002 £	2002 £	2001 £
<b>FIXED ASSETS</b>				
Tangible assets	8	2,226,167		2,330,400
Investments	9	<u>25,135</u>		<u>10</u>
			2,251,302	2,330,410
<b>CURRENT ASSETS</b>				
Investments	9	91,915		91,915
Stocks	10	1,250,627		1,751,320
Debtors	11	1,076,793		854,865
Cash at bank and in hand		<u>529,159</u>		<u>13,093</u>
		2,948,494		2,711,193
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,722,173)</u>		<u>(1,826,942)</u>
<b>NET CURRENT ASSETS</b>			<u>1,226,321</u>	<u>884,251</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,477,623	3,214,661
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13		<u>(200,236)</u>	<u>(217,925)</u>
			<u>3,277,387</u>	<u>2,996,736</u>
<b>CAPITAL AND RESERVES</b>				
Called-up share capital	14		58,210	58,210
Share premium account	15		445,376	445,376
Revaluation reserves	16		67,905	70,966
Profit and loss account			<u>2,705,896</u>	<u>2,422,184</u>
<b>Shareholders funds</b>	17		<u>3,277,387</u>	<u>2,996,736</u>

Approved by the board on 1 August 2003

M C BROOM, M.B.E. )

) Directors

J A BROOM )

*M. C. Broom*  
*Jennifer A. Broom*

The notes set out on pages 9 to 19 form an integral part of these accounts



**BROOM BOATS LIMITED**

**BALANCE SHEET**

**30 NOVEMBER 2002**

	Notes	2002 £	2002 £	2001 £
<b>FIXED ASSETS</b>				
Tangible assets	8	2,226,167		2,330,400
Investments	9	<u>482,204</u>		<u>457,079</u>
			2,708,371	2,787,479
<b>CURRENT ASSETS</b>				
Investments	9	91,915		91,915
Stocks	10	624,214		609,598
Debtors	11	527,197		293,409
Cash		<u>529,159</u>		<u>232</u>
		1,772,485		995,154
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,003,133)</u>		<u>(753,856)</u>
<b>NET CURRENT ASSETS</b>			<u>769,352</u>	<u>241,298</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,477,723	3,028,777
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13		<u>(188,856)</u>	<u>(206,545)</u>
			<u>3,288,867</u>	<u>2,822,232</u>
<b>CAPITAL AND RESERVES</b>				
Called-up share capital	14		58,210	58,210
Share premium account	15		445,376	445,376
Revaluation reserves	16		67,905	70,966
Profit and loss account			<u>2,717,376</u>	<u>2,247,680</u>
<b>Shareholders funds</b>	17		<u>3,288,867</u>	<u>2,822,232</u>

Approved by the board on 1 August 2003

M C BROOM, M.B.E. )  
J A BROOM ) Directors

*M.C. Broom*  
*Jennifer A Broom*

The notes set out on pages 9 to 19 form an integral part of these accounts

**BROOM BOATS LIMITED****GROUP CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 NOVEMBER 2002**

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	Notes	2002 £	2001 £
Cash inflow from operating activities	20	668,775	225,020
Returns on investments and servicing of finance	21(i)	38,818	(5,904)
Taxation		(115,350)	(28,018)
Capital expenditure and financial investment	21(ii)	<u>(80,758)</u>	<u>7,757</u>
Increase in cash in the year	22	<u>511,485</u>	<u>198,855</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase in cash in the year		<u>511,485</u>	<u>198,855</u>
Movement in net debt in the year	22	511,485	198,855
Net debt at 1 December 2001		<u>(110,317)</u>	<u>(309,172)</u>
Net funds at 30 November 2002	22	<u>401,168</u>	<u>(110,317)</u>

The notes set out on pages 9 to 19 form part of these accounts

# BROOM BOATS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2002

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### 1. ACCOUNTING POLICIES

#### a) **Basis of accounting**

These accounts have been prepared under the historical cost convention modified to include a valuation of certain fixed assets, and in accordance with applicable accounting standards.

#### b) **Basis of consolidation**

Intra-group sales and profits are eliminated on consolidation. The holding company is not required to produce its own profit and loss account because of the exemption provisions in Section 230 Companies Act 1985.

#### c) **Depreciation**

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets, other than freehold land and investment property, over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Freehold property	2% and 10% straight line
Hire fleet craft	5% and 25% straight line
Plant and machinery	10% to 25% straight line
Motor vehicles	25% straight line
Computers	33 1/3% straight line.

Moulds are usually written off on a usage basis based on a life of 29 "off takes", except where, in the opinion of the directors, the expected useful life differs.

#### d) **Freehold Investment Property**

In accordance with Statement of Standard Accounting Practice No. 19 certain of the company's freehold properties are held for long-term investment and are included in the balance sheet at their market values. The surplus or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the accounts may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### e) **Stock and Work in Progress**

Stock is valued at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

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**f) Assets held under finance leases and hire purchase contracts**

Fixed assets held under hire purchase contracts, and those financed by leasing agreements which give rights approximating to ownership (i.e. finance leases) are treated in accordance with Statement of Standard Accounting Practice No. 21 as if purchased outright. The corresponding obligations are included in creditors.

Depreciation is provided, depending on the type of fixed asset, by the rates and methods set out above.

The related finance costs are charged to the profit and loss account in proportion to the outstanding balances of the contracts.

**g) Operating leases**

Operating lease expenditure is charged to the profit and loss account over the period of the lease.

**h) Research and development**

Research and development expenditure is written off as incurred.

**i) Pension scheme**

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The charge in the profit and loss account represents the contributions payable by the company to the funds for the year.

**j) Deferred taxation**

Provisions are made so that the deferred taxation account represents corporation tax, calculated under the liability method at 20%, in respect of all timing differences and surpluses on revaluation of fixed assets.

**k) Warranty Provision**

Provision is made for warranty costs incurred after the year end in respect of sales made prior to that date based on the directors best estimate of such costs.

**BROOM BOATS LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30 NOVEMBER 2002****2. TURNOVER**

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

An analysis of turnover attributable to each class of business carried on by the company is as follows:

	<b>2002</b>	2001
	£	£
<b>Class of business</b>		
Boat sales	1,771,042	349,234
Boatbuilding and repairing	7,403,809	7,362,201
Hire fleet and moorings	<u>432,401</u>	<u>424,939</u>
	<u><b>9,607,252</b></u>	<u><b>8,136,374</b></u>

The geographical analysis of turnover is as follows:

	<b>2002</b>	2001
	£	£
United Kingdom	8,773,252	8,136,374
Rest of Europe	<u>834,000</u>	<u>-</u>
	<u><b>9,607,252</b></u>	<u><b>8,136,374</b></u>

**3. OPERATING PROFIT**

	<b>2002</b>	2001
	£	£
Operating profit is stated after charging:		
Rental of premises	12,500	25,000
Depreciation	170,094	190,933
Directors' emoluments	177,778	155,290
Auditor's remuneration	<u>11,900</u>	<u>11,600</u>
Management fees receivable	<u><b>13,500</b></u>	<u><b>13,000</b></u>

**4. STAFF COSTS**

	<b>2002</b>	2001
	£	£
The cost of employing staff including directors was:		
Wages and salaries	2,170,557	2,056,048
Social security costs	189,605	186,907
Pension costs	<u>57,989</u>	<u>38,639</u>
	<u><b>2,418,151</b></u>	<u><b>2,281,594</b></u>

	<b>2002</b>	2001
The average weekly number of employees of the group during the year was:		
Boat building and repairing	104	100
Selling, distribution and administration	<u>21</u>	<u>22</u>
	<u><b>125</b></u>	<u><b>122</b></u>

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**5. DIRECTORS' EMOLUMENTS**

	<b>2002</b>	2001
	£	£
Management remuneration	136,378	125,290
Pension contributions	<u>41,400</u>	<u>30,000</u>
	<u>177,778</u>	<u>155,290</u>

The figure for management remuneration includes estimated taxable benefits of £22,576 (2001: £32,080).

Pension contributions of £41,400 (2001: £30,000) are to a money purchase scheme and are in respect of two directors.

Benefits are accruing to two directors under a money purchase scheme.

**6. INTEREST PAYABLE**

	<b>2002</b>	2001
	£	£
Bank loans and overdrafts	<u>934</u>	<u>5,904</u>

**7. TAXATION**

	<b>2002</b>	2001
	£	£
UK corporation tax at 29% (2001: 27%) on the profit adjusted for tax purposes	132,735	115,350
Transfer from deferred taxation (note 13)	<u>(17,689)</u>	<u>(16,843)</u>
	<u>115,046</u>	<u>98,507</u>

Factors affecting tax charge for the period

The tax assessed for the period is at the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	<b>2002</b>	2001
	£	£
Profit on ordinary activities before tax	<u>395,697</u>	<u>318,674</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	118,709	95,602
Effects:		
Expenses not deductible for tax purposes	2,814	11,169
Income not taxable	(9,002)	-
Depreciation for the period in excess of capital allowances	30,953	51,305
Profit on disposal of fixed assets	(3,068)	(28,523)
Marginal relief	<u>(7,671)</u>	<u>(14,203)</u>
Current tax charge for period (above)	<u>132,735</u>	<u>115,350</u>

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**8. TANGIBLE FIXED ASSETS - THE GROUP AND COMPANY**

	Freehold investment property £	Freehold operating property £	Hire fleet craft £	Plant and machinery £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 December 2001	123,075	1,247,297	1,279,391	1,553,434	145,823	4,349,020
Additions at cost	-	-	-	71,803	-	71,803
Applicable to disposals	-	-	(23,638)	-	-	(23,638)
At 30 November 2002	<u>123,075</u>	<u>1,247,297</u>	<u>1,255,753</u>	<u>1,625,237</u>	<u>145,823</u>	<u>4,397,185</u>
<b>DEPRECIATION</b>						
At 1 December 2001	-	130,977	591,600	1,212,222	83,821	2,018,620
Charge for the year	-	13,455	52,848	85,732	18,059	170,094
Released by disposals	-	-	(17,696)	-	-	(17,696)
At 30 November 2002	<u>-</u>	<u>144,432</u>	<u>626,752</u>	<u>1,297,954</u>	<u>101,880</u>	<u>2,171,018</u>
<b>NET BOOK VALUE</b>						
At 30 November 2002	<u>123,075</u>	<u>1,102,865</u>	<u>629,001</u>	<u>327,283</u>	<u>43,943</u>	<u>2,226,167</u>
At 30 November 2001	<u>123,075</u>	<u>1,116,320</u>	<u>687,791</u>	<u>341,212</u>	<u>62,002</u>	<u>2,330,400</u>

**BROOM BOATS LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30 NOVEMBER 2002****8. TANGIBLE FIXED ASSETS (continued)**

Hire fleet craft owned at 30th November 1990 were revalued by the directors at that date and a comparison between the present book values and the book values at which the assets would have been carried if they were on an historical cost basis is set out below:

	Revalued Amount 2002 £	Revalued Amount 2001 £	Historical Cost Amount 2002 £	Historical Cost Amount 2001 £
<b>Hire fleet craft</b>				
Cost or valuation	70,633	94,271	55,005	74,817
Depreciation to date	<u>50,336</u>	<u>68,032</u>	<u>50,336</u>	<u>68,032</u>
Net book value	<u>20,297</u>	<u>26,239</u>	<u>4,669</u>	<u>6,785</u>

The company has adopted the transitional provisions of FRS15 Tangible Fixed Assets. Previous valuations have been retained and have not been updated.

Freehold investment property has been valued by the directors based on an appropriate multiple of the market rent. The directors valuation is equivalent to the original cost of the land and buildings.

Freehold property includes land costing £65,568 (2001 £65,568) of which £60,868 is attributable to investment properties and £4,700 to operating properties.

The subsidiary companies hold no fixed assets.

<b>9. INVESTMENTS</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Cost</b>		
Group undertakings	457,069	457,069
Unlisted investments	<u>25,135</u>	<u>10</u>
	<u>482,204</u>	<u>457,079</u>



# BROOM BOATS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2002

### 9. INVESTMENTS (continued)

The subsidiaries are incorporated in England and also prepare accounts to 30th November. The principal activity of C J Broom & Sons Limited is that of boatbuilders. The aggregate amount of capital and reserves at 30th November 2002 of C J Broom and Sons Limited was £444,589. A profit of £134,016 was made by C J Broom and Sons Limited in the year to 30th November 2002. Aqua Fibre International Limited was dormant throughout the year and, therefore, made no profit or loss. The aggregate amount of capital and reserves at 30th November 2002 of Aqua Fibre International Limited was £1,000.

The subsidiary companies hold no investments.

	2002	2001
	£	£
<b>Current asset investments -</b>		
Unlisted investments	<u>91,915</u>	<u>91,915</u>

### 10. STOCKS

	2002		2001	
	The Company £	The Group £	The Company £	The Group £
Raw materials and consumables	529,143	529,143	516,047	516,047
Work in progress	95,071	1,393,777	93,551	1,504,545
Less: payments on account	-	(846,293)	-	(838,022)
Boats for resale	-	<u>174,000</u>	-	<u>568,750</u>
	<u>624,214</u>	<u>1,250,627</u>	<u>609,598</u>	<u>1,751,320</u>

### 11. DEBTORS

	2002		2001	
	The Company £	The Group £	The Company £	The Group £
Trade debtors	168,776	946,250	239,250	725,928
Amount due from connected company	1,722	1,722	-	-
Other debtors	323,385	3,385	1,946	1,946
Prepayments and accrued income	<u>33,314</u>	<u>125,436</u>	<u>52,213</u>	<u>126,991</u>
	<u>527,197</u>	<u>1,076,793</u>	<u>293,409</u>	<u>854,865</u>

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**12. CREDITORS: Amounts falling due within one year**

	<b>2002</b>		<b>2001</b>	
	<b>The Company £</b>	<b>The Group £</b>	<b>The Company £</b>	<b>The Group £</b>
Bank overdraft	-	127,991	123,410	123,410
Trade creditors	264,605	863,592	284,277	1,195,075
Amounts owed to subsidiary companies	339,299	-	89,022	-
Amounts owed to connected companies	-	161,510	34,122	107,637
Corporation tax	77,820	132,735	48,946	115,350
Tax and social security costs	154,290	190,445	30,579	74,196
Other creditors	4,893	50,837	5,504	47,827
Accruals and deferred income	<u>162,226</u>	<u>195,063</u>	<u>137,996</u>	<u>163,447</u>
	<u><b>1,003,133</b></u>	<u><b>1,722,173</b></u>	<u><b>753,856</b></u>	<u><b>1,826,942</b></u>

Secured creditors included above are as follows:

Bank overdraft secured by a charge on freehold property	<u><b>127,991</b></u>	<u><b>123,410</b></u>
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**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2002</b>		<b>2001</b>	
	<b>£</b>		<b>£</b>	
- The company				
Deferred taxation		188,856		206,545
Warranty provision		-		-
		<u><b>188,856</b></u>		<u><b>206,545</b></u>
- The group				
Deferred taxation		188,856		206,545
Warranty provision		<u>11,380</u>		<u>11,380</u>
		<u><b>200,236</b></u>		<u><b>217,925</b></u>
Deferred taxation:	<b>Provided</b>	<b>Potential</b>	<b>Provided</b>	<b>Potential</b>
	<b>2002</b>	<b>2002</b>	<b>2001</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	186,730	186,730	203,654	203,654
Revaluation surpluses	3,126	3,126	3,891	3,891
Other timing differences	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>
	<u><b>188,856</b></u>	<u><b>188,856</b></u>	<u><b>206,545</b></u>	<u><b>206,545</b></u>

# **BROOM BOATS LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

14. SHARE CAPITAL	Number	Value	Number	Value
	2002	2002	2001	2001
	£	£	£	£
Authorised:				
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Issued and fully paid:				
Ordinary shares of £1 each	<u>58,210</u>	<u>58,210</u>	<u>58,210</u>	<u>58,210</u>
15. SHARE PREMIUM ACCOUNT			2002	2001
			£	£
Balance at 1 December 2001			445,376	-
Premium arising on shares issued on 30th November 2000				
As previously reported			-	485,563
Correction on acquisition of C J Broom & Sons Limited			<u>-</u>	<u>(40,187)</u>
Balance at 30th November 2002			<u>445,376</u>	<u>445,376</u>
16. REVALUATION RESERVES				
		Hire fleet	Investment property	Total
		£	£	£
At 1st December 2001		15,564	55,402	70,966
Eliminated on disposal		(3,826)	-	(3,826)
Movement in deferred tax due to disposal		<u>765</u>	<u>-</u>	<u>765</u>
At 30th November 2002		<u>12,503</u>	<u>55,402</u>	<u>67,905</u>
17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS				
	2002		2001	
	The Company	The Group	The Company	The Group
	£	£	£	£
Profit for the financial year	466,635	280,651	45,663	220,167
Opening shareholders' funds	<u>2,822,232</u>	<u>2,996,736</u>	<u>2,776,569</u>	<u>2,776,569</u>
Closing shareholders' funds	<u>3,288,867</u>	<u>3,277,387</u>	<u>2,822,232</u>	<u>2,996,736</u>

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**18. OPERATING LEASE COMMITMENTS**

	<b>Land and buildings</b>	
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Annual commitments under operating leases expiring within one year	<u>12,500</u>	<u>12,500</u>
	<b>Other</b>	
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Annual commitments under operating leases expiring within one year	-	779
Expiring within 2 to 5 years	1,063	-
Expiring after 5 years	-	<u>1,063</u>
	<u>1,063</u>	<u>1,842</u>

**19. RELATED PARTY TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST**

In the normal course of business, transactions have taken place with Aqua Fibre Limited, a connected company in which both directors have an interest. Details of transactions are as follows:

	<b>£</b>
Aquafibre Limited	
Purchase of mouldings	4,509
Purchase of materials	4,130
Development costs	19,431
Labour	3,541
Gross management charge	13,500
Rent paid	12,500
Other purchases	855
Debtor at 30 November 2002	1,722

**20. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Operating profit	345,574	229,503
Depreciation charges	170,094	190,933
Decrease/Increase in stocks	500,693	(165,206)
Increase in debtors	(220,206)	(183,324)
Increase/Decrease in connected company balances	52,151	(112,216)
Decrease/Increase in creditors	<u>(179,531)</u>	<u>265,330</u>
Net cash inflow from operating activities	<u>668,775</u>	<u>225,020</u>

**BROOM BOATS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NOTED IN THE CASH FLOW STATEMENT**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>i) Returns on investments and servicing of income</b>		
Interest received	10,822	-
Income from fixed asset investments	30,007	-
Interest paid	<u>(2,011)</u>	<u>(5,904)</u>
<b>Net cash inflow/outflow from returns on investments and servicing of finance</b>		<u><b>38,818</b></u>
<b>ii) Capital expenditure and financial investment</b>		
Purchase of investment	(25,125)	(91,915)
Purchases of tangible fixed assets	(71,803)	(190,412)
Sales of tangible fixed assets	<u>16,170</u>	<u>290,084</u>
<b>Net cash outflow/inflow for capital expenditure and financial investment</b>	<u><b>(80,758)</b></u>	<u><b>7,757</b></u>

**22. ANALYSIS OF NET FUNDS/DEBT**

	<b>At 1 December 2001</b>	<b>Cash flow</b>	<b>At 30 November 2002</b>
Cash in hand and at bank	13,093	516,066	529,159
Overdrafts	<u>(123,410)</u>	<u>(4,581)</u>	<u>(127,991)</u>
<b>Total</b>	<u><b>(110,317)</b></u>	<u><b>511,485</b></u>	<u><b>401,168</b></u>

**23. CONTROLLING INTEREST**

Mr M C Broom, M.B.E. has a controlling interest in the company by virtue of his beneficial and trustee shareholdings.