

**BROOM BOATS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30TH NOVEMBER 1997**



**BROOM BOATS LIMITED**

**YEAR ENDED 30TH NOVEMBER 1997**

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**DIRECTORS**

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

**COMPANY SECRETARY**

J.A. Broom

**REGISTERED OFFICE**

The Yacht Station  
Brundall  
Norfolk

**AUDITORS**

Lovewell Blake  
102 Prince of Wales Road  
Norwich

**INDEX TO ABBREVIATED ACCOUNTS**

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	<b>Page No.</b>
Report of the Directors	1 - 2
Report of the Auditors	3
Abbreviated Profit and Loss Account	4
Historical Cost Profits and Losses	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Abbreviated Accounts	8 - 18

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# **BROOM BOATS LIMITED**

## **REPORT OF THE DIRECTORS**

### **FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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The directors have pleasure in presenting their annual report and accounts for the year ended 30th November 1997.

#### **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 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 that 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 to enable them to ensure that the accounts 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.

#### **Review of the business**

The company's principal activities are those of boatbuilders and repairers and hire fleet operators.

The profit after tax for the year amounted to £151,634 as shown on page 4.

The directors consider that the company's result for the year and financial position at 30th November 1997 are 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 land and buildings included in the balance sheet at £448,351 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 30TH NOVEMBER 1997**

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### **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 1997		At 1st December 1996	
	Beneficial	As Trustee	Beneficial	As Trustee
M.C. Broom	24,501	5,000	24,501	5,000
J.A. Broom	4,001	5,000	4,001	5,000

In accordance with the articles of association, Mrs J A Broom will retire by rotation and, being eligible, will offer herself 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

J A BROOM

*Jennifer A. Broom*

**Secretary**

Date: 7th April 1998

**AUDITORS' REPORT TO BROOM BOATS LIMITED PURSUANT TO SECTION  
247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 18 together with the financial statements of Broom Boats Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30th November 1997.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that section.

**Basis of opinion**

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

**Opinion**

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Section 246A of that Act, in respect of the year ended 30th November 1997 and the abbreviated accounts on pages 4 to 18 have been properly prepared in accordance with that section.



**LOVEWELL BLAKE**

**102 Prince of Wales Road, Norwich**

**REGISTERED AUDITOR  
Chartered Accountants**

**8th April 1998**

**BROOM BOATS LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH NOVEMBER 1997**

	Notes	1997 £	1996 £
<b>GROSS PROFIT</b>		837,999	841,150
Administrative expenses		(744,507)	(720,897)
Other operating income		<u>40,000</u>	<u>27,500</u>
<b>OPERATING PROFIT</b>	3	133,492	147,753
Profit on disposal of tangible fixed assets		69,218	30,707
Income from fixed asset investments		-	18,750
Interest receivable		<u>201</u>	<u>3,582</u>
		202,911	200,792
Interest payable	6	<u>(34,605)</u>	<u>(19,127)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		168,306	181,665
Tax on profit on ordinary activities	7	<u>(16,672)</u>	<u>(25,092)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		151,634	156,573
Transfer from revaluation reserve	15	2,701	2,486
Retained profit brought forward		<u>1,614,451</u>	<u>1,455,392</u>
<b>RETAINED PROFIT AT 30TH NOVEMBER 1997</b>		<u>1,768,786</u>	<u>1,614,451</u>

There are no recognised gains or losses other than the profit of £151,634 in the year ended 30th November 1997 and £156,573 in the year ended 30th November 1996.

The notes set out on pages 8 to 18 form an integral part of these accounts

**BROOM BOATS LIMITED**

**HISTORICAL COST PROFITS AND LOSSES**

**FOR THE YEAR ENDED 30TH NOVEMBER 1997**

	<b>1997</b>	<b>1996</b>
	£	£
Reported profit on ordinary activities before taxation	168,306	181,665
Realisation of asset revaluation gains recognised in previous years	<u>5,359</u>	<u>5,359</u>
Historical cost profit on ordinary activities before taxation	<u>173,665</u>	<u>187,024</u>
Historical cost profit for the year retained after taxation	<u>154,335</u>	<u>159,059</u>

The notes set out on pages 8 to 18 form an integral part of these accounts

**BROOM BOATS LIMITED****ABBREVIATED BALANCE SHEET****30TH NOVEMBER 1997**

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,096,191	2,122,198
Investments	9	<u>24,733</u>	<u>24,733</u>
		2,120,924	<u>2,146,931</u>
<b>CURRENT ASSETS</b>			
Stocks	10	1,153,931	1,295,210
Debtors	11	778,260	356,743
Cash at bank and in hand		<u>270</u>	<u>1,827</u>
		1,932,461	1,653,780
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,947,587)</u>	<u>(1,817,401)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(15,126)</u>	<u>(163,621)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,105,798	1,983,310
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	<u>(230,708)</u>	<u>(259,854)</u>
		<u>1,875,090</u>	<u>1,723,456</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	14	50,002	50,002
Revaluation reserve	15	56,302	59,003
Profit and loss account		<u>1,768,786</u>	<u>1,614,451</u>
<b>Shareholders funds</b>	16	<u>1,875,090</u>	<u>1,723,456</u>

**Statement by the directors**

In preparing these accounts we have taken advantage of the exemptions conferred by Section 248 of the Companies Act 1985 entitling us not to prepare group accounts and have done so on the grounds that this group is entitled to those exemptions as a medium size group.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

Approved by the board on 7th April 1998.

M C BROOM )

) Directors

J A BROOM )

*Jennifer A. Broom*

The notes set out on pages 8 to 18 form an integral part of these accounts

**BROOM BOATS LIMITED****CASH FLOW STATEMENT****FOR THE YEAR ENDED 30TH NOVEMBER 1997**

	Notes	1997 £	1996 £
<b>Cashflow from operating activities</b>	20	595,582	92,474
<b>Returns on investments and servicing of finance</b>	21(i)	(32,945)	2,294
<b>Taxation</b>		(12,493)	(22,821)
<b>Capital expenditure and financial investment</b>	21(ii)	(117,488)	(439,617)
Cash inflow/(outflow) before use of liquid resources and financing		432,656	(367,670)
<b>Financing</b>	21(iii)	<u>(7,384)</u>	<u>(2,825)</u>
<b>Increase/(Decrease) in cash in the year</b>	22	<u>425,272</u>	<u>(370,495)</u>
<b>Reconciliation of net cashflow to movement in net debt</b>			
Increase/(Decrease) in cash in the year		425,272	(370,495)
Cash outflow from repayment of debt and lease financing	22	<u>7,384</u>	<u>2,825</u>
Movement in net debt in the year	22	432,656	(367,670)
<b>Net debt at 1st December 1996</b>		<u>(971,746)</u>	<u>(604,076)</u>
<b>Net debt at 30th November 1997</b>	22	<u>(539,090)</u>	<u>(971,746)</u>

The notes set out on pages 8 to 18 form part of these accounts

# **BROOM BOATS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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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) Group accounts**

The company is exempt from preparing consolidated accounts under Section 248 of the Companies Act 1985. The accounts present a view of the individual company's affairs rather than that of the group. The subsidiary companies were dormant throughout the year.

#### **(c) Depreciation**

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets 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

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) Stock and Work in Progress**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. 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.

Payments received and receivable on account of work done are deducted from the value arrived at on the above basis and any excess is included in creditors falling due within one year.

# **BROOM BOATS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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**(e) 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.

**(f) Operating leases**

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

**(g) Research and development**

Research and development expenditure is written off as incurred.

**(h) 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.

**(i) Deferred taxation**

Provisions are made so that the deferred taxation account represents corporation tax, calculated under the liability method at 21%, in respect of all timing differences and surpluses on revaluation of fixed assets.

**(j) 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 ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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### **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.

### **3. OPERATING PROFIT**

Operating profit is stated after charging:	<b>1997</b>	<b>1996</b>
	£	£
Rental of premises	25,000	25,000
Depreciation	212,712	188,305
Directors' emoluments	119,317	106,756
Auditor's remuneration	<u>7,950</u>	<u>7,700</u>
and after crediting:		
Rents receivable	12,500	12,500
Management fees receivable	<u>12,500</u>	<u>15,000</u>

### **4. STAFF COSTS**

The cost of employing staff, including directors, was:	<b>1997</b>	<b>1996</b>
	£	£
Wages and salaries	1,723,861	1,689,454
Social security costs	158,786	161,087
Pension costs	<u>51,134</u>	<u>48,225</u>
	<u>1,933,781</u>	<u>1,898,766</u>
The average weekly number of employees during the year was:	<b>1997</b>	<b>1996</b>
Boatbuilding and repairing	106	101
Selling and administration	<u>17</u>	<u>15</u>
	<u>123</u>	<u>116</u>

**BROOM BOATS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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<b>5. DIRECTORS' EMOLUMENTS</b>	<b>1997</b>	<b>1996</b>
	£	£
Management remuneration	84,317	71,756
Pension contributions	<u>35,000</u>	<u>35,000</u>
	<u>119,317</u>	<u>106,756</u>

The figure for management remuneration includes estimated taxable benefits of £13,644 (1996 £11,774).

Pension contributions of £35,000 are to a money purchase scheme and are in respect of one director.

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

<b>6. INTEREST PAYABLE</b>	<b>1997</b>	<b>1996</b>
	£	£
Bank loans and overdrafts	28,866	8,925
Hire purchase and finance lease interest	-	1,049
Other loans	<u>5,739</u>	<u>9,153</u>
	<u>34,605</u>	<u>19,127</u>

<b>7. TAXATION</b>	<b>1997</b>	<b>1996</b>
	£	£
UK corporation tax at 22% (1996 25%) on the profit adjusted for tax purposes	18,318	12,493
Transfer to/(from) deferred taxation	17,887	26,129
Deferred tax movement resulting from a change in the rate it is provided	(19,533)	(17,280)
Tax credits on UK dividends received	<u>-</u>	<u>3,750</u>
	<u>16,672</u>	<u>25,092</u>

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

**BROOM BOATS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 30TH NOVEMBER 1997**

**8. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Hire fleet craft £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b>COST</b>						
At 1st December 1996	556,547	2,119,864	1,058,752	112,929	-	3,848,092
Additions at cost	36,946	-	100,104	37,750	56,284	231,084
Applicable to disposals	-	(129,171)	-	(9,175)	-	(138,346)
At 30th November 1997	<u>593,493</u>	<u>1,990,693</u>	<u>1,158,856</u>	<u>141,504</u>	<u>56,284</u>	<u>3,940,830</u>
<b>DEPRECIATION</b>						
At 1st December 1996	131,816	744,402	774,472	75,204	-	1,725,894
Charge for the year	13,326	103,993	78,044	17,349	-	212,712
Released by disposals	-	(86,104)	-	(7,863)	-	(93,967)
At 30th November 1997	<u>145,142</u>	<u>762,291</u>	<u>852,516</u>	<u>84,690</u>	<u>-</u>	<u>1,844,639</u>
<b>NET BOOK VALUE</b>						
At 30th November 1997	<u>448,351</u>	<u>1,228,402</u>	<u>306,340</u>	<u>56,814</u>	<u>56,284</u>	<u>2,096,191</u>
At 30th November 1996	<u>424,731</u>	<u>1,375,462</u>	<u>284,280</u>	<u>37,725</u>	<u>-</u>	<u>2,122,198</u>

## BROOM BOATS LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS

#### FOR THE YEAR ENDED 30TH NOVEMBER 1997

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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 1997 £	Historical Cost Amount 1997 £	Revalued Amount 1996 £	Historical Cost Amount 1996 £
<b>Hire fleet craft</b>				
Cost or valuation	273,782	202,515	299,392	216,465
Depreciation to date	<u>184,257</u>	<u>184,257</u>	<u>198,205</u>	<u>198,205</u>
Net book value	<u>89,525</u>	<u>18,258</u>	<u>101,187</u>	<u>18,260</u>

Included within freehold property cost is land costing £65,568 (1996 £65,568) which has not been depreciated.

9. <b>INVESTMENTS</b>	<b>1997</b> £	<b>1996</b> £
<b>Cost</b>		
Group undertakings	24,723	24,723
Unlisted investments	<u>10</u>	<u>10</u>
	<u>24,733</u>	<u>24,733</u>

Group undertakings at the balance sheet date are wholly owned subsidiary companies, as follows:

Frank Evans (Joinery) Limited  
Aqua Fibre International Limited

The subsidiaries are incorporated in England and also prepare accounts to 30th November. They were dormant throughout the year and, therefore, made no profit or loss. The aggregate amount of capital and reserves at 30th November 1997 of Aqua Fibre International Limited was £1,000 and of Frank Evans (Joinery) Limited was £23,467.

10. <b>STOCKS</b>	<b>1997</b> £	<b>1996</b> £
Raw materials and consumables	379,598	340,826
Work in progress	1,538,702	1,444,635
Less: payments on account	<u>(764,369)</u>	<u>(490,251)</u>
	<u>1,153,931</u>	<u>1,295,210</u>

# BROOM BOATS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### FOR THE YEAR ENDED 30TH NOVEMBER 1997

11. DEBTORS	1997 £	1996 £
Trade debtors	117,725	181,432
Amount due from connected company	597,572	51,296
Other debtors	-	88,067
Prepayments and accrued income	<u>62,963</u>	<u>35,948</u>
	<u>778,260</u>	<u>356,743</u>

Other debtors include amounts due from the directors of the company, details of which are as follows:

	1997 £
M C Broom	
Amount outstanding at beginning of year	1,465
Amount outstanding at end of year	-
Maximum amount outstanding during year	<u>1,465</u>

12. CREDITORS: Amounts falling due within one year	1997 £	1996 £
Bank overdraft	496,627	923,456
Loan from pension fund	25,000	25,000
Other loan	17,733	25,117
Payments received on account	437,496	113,833
Trade creditors	477,541	343,110
Amounts owed to subsidiary companies	24,395	24,395
Amounts owed to connected companies	227,492	172,965
U.K. corporation tax	18,318	12,493
Pension contributions	1,391	2,692
Tax and social security costs	101,035	53,843
Other creditors	21,039	23,821
Accruals and deferred income	<u>99,520</u>	<u>96,676</u>
	<u>1,947,587</u>	<u>1,817,401</u>

	1997 £	1996 £
Secured creditors included above are as follows:		
Bank overdraft secured by a charge on freehold property	<u>496,627</u>	<u>923,456</u>

# BROOM BOATS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### FOR THE YEAR ENDED 30TH NOVEMBER 1997

13.	PROVISIONS FOR LIABILITIES AND CHARGES		1997	1996
			£	£
	Deferred taxation		223,208	224,854
	Warranty provision		<u>7,500</u>	<u>35,000</u>
			<u>230,708</u>	<u>259,854</u>
	Deferred taxation:	Provided	Provided	Potential
		1997	1996	1996
		£	£	£
	Accelerated capital allowances	209,584	209,798	209,798
	Revaluation surpluses	14,966	17,624	17,624
	Other timing differences	<u>(1,342)</u>	<u>(2,568)</u>	<u>(2,568)</u>
		<u>223,208</u>	<u>224,854</u>	<u>224,854</u>
14.	SHARE CAPITAL	Number	Number	Value
		1997	1996	1996
				£
	Authorised:			
	Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
	Issued and fully paid:			
	Ordinary shares of £1 each	<u>50,002</u>	<u>50,002</u>	<u>50,002</u>
15.	REVALUATION RESERVE			
			£	
	At 1st December 1996		59,003	
	Surplus realised on disposal of fixed assets	5,359		
	Deferred taxation on realised surplus	<u>(1,125)</u>		
		4,234		
	Movement in deferred tax due to change in rate at which provided	<u>(1,533)</u>		
	Transfer to profit and loss account		<u>(2,701)</u>	
	At 30th November 1997		56,302	

**BROOM BOATS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 30TH NOVEMBER 1997****16. RECONCILIATION OF MOVEMENTS  
IN SHAREHOLDERS' FUNDS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	<u>151,634</u>	<u>156,573</u>
Net addition to shareholders' funds	151,634	156,573
Opening shareholders' funds	<u>1,723,456</u>	<u>1,566,883</u>
Closing shareholders' funds	<u>1,875,090</u>	<u>1,723,456</u>

**17. CAPITAL COMMITMENTS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Authorised and contracted for	<u>68,716</u>	<u>4,255</u>

**18. OPERATING LEASE COMMITMENTS**

	<b>Land and buildings</b>
	<b>1997</b>
	<b>£</b>
Annual commitments under operating leases expiring within one year	<u>25,000</u>

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

In the normal course of business transactions have taken place with C.J. Broom & Sons Limited and Aqua Fibre Limited, connected companies in which both directors have an interest. Details of transactions are as follows:

	<b>£</b>
<b>C J Broom &amp; Sons Limited</b>	
Sale of new boats	4,922,479
Boat show contribution	124,431
Wages recharged	8,251
Management charge	<u>15,000</u>
Debtor at 30th November 1997	<u>597,572</u>
<b>Aquafibre Limited</b>	
Purchase of fixed assets	47,077
Purchase of materials	838,888
Development costs	38,912
Rent paid	25,000
Rent received	12,500
Management charge received	<u>12,500</u>
Creditor at 30th November 1997	<u>227,492</u>

**BROOM BOATS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 30TH NOVEMBER 1997****19 RELATED PARTY TRANSACTIONS IN  
WHICH DIRECTORS HAVE AN INTEREST (continued)**

The directors are also trustees of the M C Broom Settlement to which the company paid interest of £1,521 during the year. At 30th November 1997 the company owed £17,733 to the Settlement.

At the 30th November 1997, the company also owed £25,000 to the Broom Boats Limited Directors Retirement Benefit Scheme, and paid interest during the year of £2,369.

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

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Operating profit	133,492	147,753
Depreciation charges	212,712	188,305
(Decrease)/Increase in warranty provision	(27,500)	15,000
Decrease/(Increase) in stocks	141,279	(131,958)
Decrease in debtors	124,759	25,017
(Increase)/Decrease in connected company balances	(491,749)	177,074
Increase/(Decrease) in creditors	<u>502,589</u>	<u>(328,717)</u>
Net cash inflow from operating activities	<u>595,582</u>	<u>92,474</u>

**21. ANALYSIS OF CASHFLOWS FOR HEADINGS  
NOTED IN THE CASHFLOW STATEMENT**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
(i) <b>Returns on investments and servicing of income</b>		
Interest received	201	3,582
Income from fixed asset investments	-	15,000
Interest paid	(33,146)	(15,239)
Hire purchase and finance lease interest paid	-	<u>(1,049)</u>
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>	<u>(32,945)</u>	<u>2,294</u>
(ii) <b>Capital expenditure and financial investment</b>		
Purchases of tangible fixed assets	(231,084)	(485,704)
Sales of tangible fixed assets	<u>113,596</u>	<u>46,087</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u>(117,488)</u>	<u>(439,617)</u>
(iii) <b>Financing</b>		
Repayment of loan	(7,384)	(2,068)
Capital element of hire purchase and finance	-	<u>(757)</u>
<b>Net cash outflow from financing</b>	<u>(7,384)</u>	<u>(2,825)</u>

# **BROOM BOATS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

### **FOR THE YEAR ENDED 30TH NOVEMBER 1997**

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#### **22. ANALYSIS OF NET DEBT**

	<b>At 1st December 1996</b>	<b>Cash flow</b>	<b>At 30th November 1997</b>
Cash in hand and at bank	1,827	(1,557)	270
Overdrafts	(923,456)	426,829	(496,627)
	<u>(921,629)</u>	<u>425,272</u>	<u>(496,357)</u>
Debt due within one year	<u>(50,117)</u>	<u>7,384</u>	<u>(42,733)</u>
	<u>(50,117)</u>	<u>7,384</u>	<u>(42,733)</u>
Total	<u>(971,746)</u>	<u>432,656</u>	<u>(539,090)</u>

#### **23. CONTROLLING INTEREST**

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