

# **BROOM BOATS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2012**

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# **BROOM BOATS LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

M Garner  
M A Clayton  
A J Chancellor (resigned 17 May 2012)  
M R Scott (appointed 21 December 2012)  
J R Tucker (appointed 21 December 2012)

### **REGISTERED NUMBER**

01147080

### **REGISTERED OFFICE**

The Yacht Station  
Riverside  
Brundall  
Norwich  
NR13 5PX

### **INDEPENDENT AUDITORS**

Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
20 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR

# **BROOM BOATS LIMITED**

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## **BROOM BOATS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2012**

The directors present their report and the financial statements for the year ended 30 November 2012

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the year continued to be in the area of boat building, boat servicing and repairs and the operation of a marina.

#### **BUSINESS REVIEW**

We believe that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being gross profit, profit before tax and net assets.

Gross profit has increased to £1,424,399 in 2012 compared to £1,236,961 in 2011. Loss before tax has increased to £256,252 in 2012 compared to £98,805 in 2011. Net assets have decreased to £2,100,083 in 2012 compared to £2,241,006 in 2011.

The directors are satisfied with the results for the year given the difficult economic conditions in which the company trades.

#### **RESULTS**

The loss for the year, after taxation, amounted to £140,923 (2011 - loss £98,805).

#### **DIRECTORS**

The directors who served during the year were

M Garner  
M A Clayton  
A J Chancellor (resigned 17 May 2012)

**BROOM BOATS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2012  
PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 31 July 2013 and signed on its behalf



**M Garner**  
Director

## **BROOM BOATS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BROOM BOATS LIMITED**

We have audited the financial statements of Broom Boats Limited for the year ended 30 November 2012, set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **BROOM BOATS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BROOM BOATS LIMITED**

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Daren Moore FCCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

20 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

23 August 2013

# BROOM BOATS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2	5,226,867	4,122,935
Cost of sales		<u>(3,802,468)</u>	<u>(2,885,974)</u>
<b>GROSS PROFIT</b>		1,424,399	1,236,961
Administrative expenses		(1,661,509)	(1,427,702)
Other operating income	3	<u>63,604</u>	<u>11,928</u>
<b>OPERATING LOSS</b>	4	(173,506)	(178,813)
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	8	<u>-</u>	<u>142,065</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(173,506)	(36,748)
Interest payable and similar charges	7	<u>(82,746)</u>	<u>(62,057)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(256,252)	(98,805)
Tax on loss on ordinary activities	9	<u>115,329</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(140,923)</u></u>	<u><u>(98,805)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 9 to 22 form part of these financial statements



**BROOM BOATS LIMITED**

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	2012 £	2011 £
<b>REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(256,252)	(98,805)
Realisation of valuation gains of previous periods	(14,604)	(14,604)
<b>HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(270,856)</u>	<u>(113,409)</u>
<b>HISTORICAL LOSS FOR THE YEAR AFTER TAXATION</b>	<u>(155,527)</u>	<u>(113,409)</u>

The notes on pages 9 to 22 form part of these financial statements

**BROOM BOATS LIMITED**  
**REGISTERED NUMBER 01147080**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Intangible assets	10		551,358		286,057
Tangible assets	11		3,479,099		3,381,654
Investments	12		1,000		1,000
			<u>4,031,457</u>		<u>3,668,711</u>
<b>CURRENT ASSETS</b>					
Stocks	13	428,706		691,605	
Debtors	14	832,619		366,266	
Cash at bank and in hand		141		136,091	
			<u>1,261,466</u>	<u>1,193,962</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,850,637)		(1,337,351)	
<b>NET CURRENT LIABILITIES</b>			(589,171)		(143,389)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,442,286</u>		<u>3,525,322</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(1,342,203)		(1,284,316)
<b>NET ASSETS</b>			<u>2,100,083</u>		<u>2,241,006</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		58,210		58,210
Share premium account	19		445,376		445,376
Revaluation reserve	19		1,861,222		1,846,618
Profit and loss account	19		(264,725)		(109,198)
<b>SHAREHOLDERS' FUNDS</b>	20		<u>2,100,083</u>		<u>2,241,006</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 July 2013.

  
**M Garner**  
 Director

The notes on pages 9 to 22 form part of these financial statements

# BROOM BOATS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	21	281,975	456,025
Returns on investments and servicing of finance	22	(82,746)	(62,057)
Taxation		75,995	-
Capital expenditure and financial investment	22	(504,644)	(381,218)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<u>(229,420)</u>	<u>12,750</u>
Financing	22	32,433	1,386,000
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<u><u>(196,987)</u></u>	<u><u>1,398,750</u></u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 NOVEMBER 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(196,987)	1,398,750
Cash inflow from increase in debt and lease financing	(32,433)	(1,386,000)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(229,420)</u>	<u>12,750</u>
Net debt at 1 December 2011	<u>(1,727,020)</u>	<u>(1,739,770)</u>
<b>NET DEBT AT 30 NOVEMBER 2012</b>	<u><u>(1,956,440)</u></u>	<u><u>(1,727,020)</u></u>

The notes on pages 9 to 22 form part of these financial statements

## **BROOM BOATS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards

The company meets its day to day working capital requirements through formal bank borrowings. In forming their decision on going concern the directors have considered a period of no less than 12 months from the date of approval of these financial statements. Based on financial projections and the availability of sufficient levels of finance, the directors consider it appropriate to prepare the financial statements on the going concern basis.

##### **1.2 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 principal. In respect of long term contracts and contracts for on-going services, turnover represents work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion.

##### **1.3 Intangible fixed assets and amortisation**

Goodwill arising on acquisitions is capitalised and amortised over 5 years. The directors believe this is the most appropriate method of amortisation.

The carrying value of goodwill is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

New model development costs are capitalised and amortised over the expected life of the new model.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & machinery	-	2%-25% reducing balance
Motor vehicles	-	25% straight line
Improvements to leasehold property	-	10% reducing balance

Moulds, included in plant and machinery, are written off over their useful economic lives. The useful economic lives are assessed annually by the directors.

##### **1.5 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

## **BROOM BOATS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.6 Investments**

Investments held as fixed assets are shown at cost less provision for impairment

##### **1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

##### **1.8 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### **1.9 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

##### **1.10 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

##### **1.11 Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

# **BROOM BOATS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

### **1. ACCOUNTING POLICIES (continued)**

#### **1.12 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

### **2. TURNOVER**

The whole of the turnover is attributable to boat building, boat servicing and repairs and the operation of a marina

£584,952 of turnover arose outside of the United Kingdom

### **3. OTHER OPERATING INCOME**

	2012 £	2011 £
Net rents receivable	63,604	11,928

### **4. OPERATING LOSS**

The operating loss is stated after charging

	2012 £	2011 £
Amortisation - goodwill	6,000	-
Depreciation of tangible fixed assets		
- owned by the company	103,271	85,552
- held under finance leases	6,448	-
Auditors' remuneration	8,200	8,028
Amortisation of deferred research and development expenditure	26,179	-

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries including social security costs	1,648,028	1,744,198
Other pension costs	7,266	10,455
	<u>1,655,294</u>	<u>1,754,653</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Boat building and repairing	59	57
Selling, distribution and administration	15	18
	<u>74</u>	<u>75</u>

### 6. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>78,858</u>	<u>73,083</u>

### 7. INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	<u>82,746</u>	<u>62,057</u>

### 8. EXCEPTIONAL ITEMS

	2012 £	2011 £
Subsidiary debt written off	-	(152,465)
Exceptional costs incurred	-	10,400
	<u>-</u>	<u>(142,065)</u>

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 9 TAXATION

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax (credit)/charge on loss for the year	(39,334)	-
Adjustments in respect of prior periods	(75,995)	-
	<u>(115,329)</u>	<u>-</u>
<b>Tax on loss on ordinary activities</b>	<u>(115,329)</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 20%) The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(256,252)</u>	<u>(98,805)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	(51,250)	(19,761)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	7,076	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,219	(30,493)
Capital allowances for year in excess of depreciation	2,928	(3,452)
Adjustments to tax charge in respect of prior periods	(75,995)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(39,334)	-
Unrelieved tax losses carried forward	33,027	53,706
	<u>(115,329)</u>	<u>-</u>
<b>Current tax (credit)/charge for the year (see note above)</b>	<u>(115,329)</u>	<u>-</u>



# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 10. INTANGIBLE FIXED ASSETS

	Development costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 December 2011	256,057	30,000	286,057
Additions	297,480	-	297,480
	<hr/>	<hr/>	<hr/>
At 30 November 2012	553,537	30,000	583,537
<b>Amortisation</b>			
At 1 December 2011	-	-	-
Charge for the year	26,179	6,000	32,179
	<hr/>	<hr/>	<hr/>
At 30 November 2012	26,179	6,000	32,179
<b>Net book value</b>			
At 30 November 2012	527,358	24,000	551,358
	<hr/>	<hr/>	<hr/>
At 30 November 2011	256,057	30,000	286,057
	<hr/>	<hr/>	<hr/>

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 11. TANGIBLE FIXED ASSETS

	Freehold property £	Improv'ts to leasehold property £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 December 2011	3,000,000	21,151	2,593,506	5,614,657
Additions	-	23,042	184,122	207,164
Disposals	-	-	(187)	(187)
At 30 November 2012	3,000,000	44,193	2,777,441	5,821,634
<b>Depreciation</b>				
At 1 December 2011	30,000	8,917	2,194,086	2,233,003
Charge for the year	15,000	3,528	91,191	109,719
On disposals	-	-	(187)	(187)
At 30 November 2012	45,000	12,445	2,285,090	2,342,535
<b>Net book value</b>				
At 30 November 2012	2,955,000	31,748	492,351	3,479,099
At 30 November 2011	2,970,000	12,234	399,420	3,381,654

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Motor vehicles	24,501	-

Included in freehold property is freehold land and moorings at a valuation of £2,250,000 (original cost £4,700) which is not depreciated

Cost or valuation at 30 November 2012 is as follows

	Land and buildings £
<b>At cost</b>	1,484,879
<b>At valuation.</b>	
8 December 2011 on existing use basis	1,515,121
	3,000,000

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 11. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2012 £	2011 £
Cost	1,484,879	1,484,879
Accumulated depreciation	(391,101)	(361,497)
	<u>1,093,778</u>	<u>1,123,382</u>
Net book value	<u>1,093,778</u>	<u>1,123,382</u>

### 12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 December 2011 and 30 November 2012	<u>1,000</u>
<b>Net book value</b>	
At 30 November 2012	<u>1,000</u>
At 30 November 2011	<u>1,000</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Aquafibre International Limited	Ordinary shares	100%

### 13. STOCKS

	2012 £	2011 £
Raw materials	312,257	337,224
Work in progress	36,449	305,381
Finished goods	80,000	49,000
	<u>428,706</u>	<u>691,605</u>

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 14. DEBTORS

	2012 £	2011 £
Trade debtors	325,972	271,970
Amounts owed by group undertakings	12,920	-
Other debtors	454,393	94,296
Tax recoverable	39,334	-
	<u>832,619</u>	<u>366,266</u>

### 15. CREDITORS:

#### Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	611,786	578,795
Payments received on account net of amounts recoverable on long term contracts	224,139	112,147
Net obligations under finance leases and hire purchase contracts	2,592	-
Trade creditors	580,190	170,235
Amounts owed to group undertakings	211,575	161,005
Social security and other taxes	41,201	91,932
Other creditors	90,609	143,763
Accruals and deferred income	88,545	79,474
	<u>1,850,637</u>	<u>1,337,351</u>

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 16 CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	1,326,362	1,284,316
Net obligations under finance leases and hire purchase contracts	15,841	-
	<u>1,342,203</u>	<u>1,284,316</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable by instalments	<u>998,833</u>	<u>877,579</u>

The loan is repayable within 15 years from the date the first draw down. This took place in December 2011, therefore the loan is repayable by November 2026. Interest is charged on the loan at 3.79% above the bank's sterling base rate.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012 £	2011 £
Between one and five years	<u>15,841</u>	<u>-</u>

Creditors of £1,956,581 (2011: £1,863,111) have been secured against the assets of the company.

### 17. DEFERRED TAXATION

	2012 £	2011 £
At beginning and end of year	<u>-</u>	<u>-</u>
The provision for deferred taxation is made up as follows		
	2012 £	2011 £
Accelerated Capital allowances	117,526	107,940
Tax Losses carried forward	(117,526)	(107,940)
Total	<u>-</u>	<u>-</u>

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 18. SHARE CAPITAL

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
58,210 Ordinary shares of £1 each	58,210	58,210

### 19. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 December 2011	445,376	1,846,618	(109,198)
Loss for the year			(140,923)
Transfer between Revaluation reserve and P/L account		14,604	(14,604)
At 30 November 2012	445,376	1,861,222	(264,725)

### 20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	2,241,006	2,339,811
Loss for the year	(140,923)	(98,805)
Closing shareholders' funds	2,100,083	2,241,006

### 21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating loss	(173,506)	(178,813)
Exceptional items	-	142,065
Amortisation of intangible fixed assets	32,179	-
Depreciation of tangible fixed assets	109,719	85,552
Profit on disposal of tangible fixed assets	-	(996)
Decrease/(increase) in stocks	262,899	(188,050)
(Increase)/decrease in debtors	(414,099)	304,204
Increase in amounts owed by group undertakings	(12,920)	-
Increase in creditors	427,133	132,058
Increase in amounts owed to group undertakings	50,570	160,005
<b>Net cash inflow from operating activities</b>	281,975	456,025

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(82,746)	(62,057)
	2012 £	2011 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(297,480)	(286,057)
Purchase of tangible fixed assets	(207,164)	(96,159)
Sale of tangible fixed assets	-	998
<b>Net cash outflow from capital expenditure</b>	(504,644)	(381,218)
	2012 £	2011 £
<b>Financing</b>		
New secured loans	1,400,000	1,386,000
Repayment of loans	(1,386,000)	-
New finance leases	18,433	-
<b>Net cash inflow from financing</b>	32,433	1,386,000

### 23. ANALYSIS OF CHANGES IN NET DEBT

	1 December 2011 £	Cash flow £	Other non-cash changes £	30 November 2012 £
Cash at bank and in hand	136,091	(135,950)	-	141
Bank overdraft	(477,111)	(61,037)	-	(538,148)
	(341,020)	(196,987)	-	(538,007)
<b>Debt:</b>				
Debts due within one year	(101,684)	(32,433)	57,887	(76,230)
Debts falling due after more than one year	(1,284,316)	-	(57,887)	(1,342,203)
<b>Net debt</b>	(1,727,020)	(229,420)	-	(1,956,440)

# BROOM BOATS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 24. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,266 (2011 - £10,455). Contributions totalling £Nil (2011 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

### 25. OPERATING LEASE COMMITMENTS

At 30 November 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	19,708	-	-	-
Between 2 and 5 years	-	21,500	3,282	3,282
	<u>19,708</u>	<u>21,500</u>	<u>3,282</u>	<u>3,282</u>



## **BROOM BOATS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

#### **26. RELATED PARTY TRANSACTIONS**

A Chancellor, a director of the company, had given a personal guarantee of £300,000 as security to the company's bank, however A Chancellor resigned during the year and this security has been cancelled. During the year Broom Boats Limited charged for brokerage on boats and repair work to A Chancellor amounting to £140,950 (2011 - £NIL)

The balance due from A Chancellor at the year end totalled £ NIL (2011 £101,950 )

Included in other creditors is a loan from M Garner, a director

The amount due to him at the year end was £35,000 (2011 £ NIL )

Included in other creditors is a loan from M Clayton, a director

The amount due to him at the year end was £40,000 (2011 £ NIL )

During the year there were sales to Broom Boating Holidays Limited a company in which M Garner and M Clayton are directors. The sales during the year totalled £196,925. The amount due from this company at the year end was £85

During the year the company paid expenses of £16,277 (2011 £NIL), and received income of £3,357 (2011 £NIL) on behalf of Broom Sea School Limited, a fellow subsidiary

The amount due from them at the year end was £12,920 (2011 £ NIL )

During the year the company paid expenses of £9,645 (2011 £NIL) on behalf of Engraphics Limited, a fellow subsidiary

The amount due from this company at the year end was £603 (2011 £NIL)

C J Broom & Sons Limited, a former subsidiary of the company, went into liquidation during 2010, a final dividend was paid during 2011 by the liquidators of C J Broom & Sons Limited amounting to £157,787. No amounts were due at the year end

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies

#### **27. CONTROLLING PARTY**

The ultimate parent company is Broom Marine Group Limited, a company which is incorporated and registered in England and Wales. Since the year end the ultimate parent company has become Brundall Investments Limited, a company which is incorporated and registered in England and Wales

The results of the company are consolidated within Broom Marine Group Limited. A copy of these financial statements can be obtained from Companies House where they are filed