

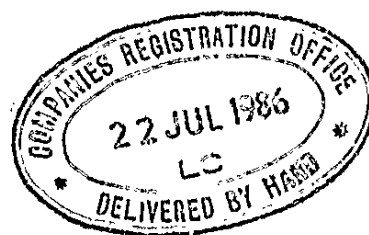
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HARTFORD MARINA LIMITED

REPORT AND ACCOUNTS

31ST MARCH 1986



RAWLINSON and HUNTER

CHARTERED ACCOUNTANTS
ONE HANOVER SQUARE, LONDON W1

HARTFORD MARINA LIMITED

INDEX

	<u>Page</u>
REPORT OF THE DIRECTORS	1
REPORT OF THE AUDITORS	2
PROFIT AND LOSS ACCOUNT	3
BALANCE SHEET	4
STATEMENT OF SOURCE AND APPLICATION OF FUNDS	5
NOTES TO THE ACCOUNTS	6 - 11

HARTFORD MARINA LIMITED**REPORT OF THE DIRECTORS**

DIRECTORS: B.E. Perry (Chairman)
P.Q. Back

The directors submit their report and the audited accounts of the company for the year ended 31st March 1986.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the operation of a marina and boat yard.

RESULTS AND REVIEW OF THE BUSINESS

The results for the year are set out on page 3. The directors consider the result for the year and current state of affairs of the company to be satisfactory.

The directors do not recommend the payment of a dividend.

DIRECTORS

The names of the current directors are stated at the head of this report. All directors have held office throughout the year.

No director held any beneficial interest in the shares of any group company at any time during the year.

TANGIBLE FIXED ASSETS

Expenditure on tangible fixed assets during the year amounted to £9,587 as set out in note 8 to the accounts.

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970 (as amended).

AUDITORS

A resolution to reappoint Messrs. Rawlinson and Hunter as auditors to the company will be proposed at the Annual General Meeting.

Registered office:
One Hanover Square
London W1A 4SR

By order of the board

h.b. Tufnell
Secretary

26.6.86

RAWLINSON and HUNTER

CHARTERED ACCOUNTANTS

ONE HANOVER SQUARE, LONDON W1

REPORT OF THE AUDITORS TO THE MEMBERS OF HARTFORD MARINA LIMITED

We have audited the accounts on pages 3 to 11 in accordance with approved Auditing Standards.

In our opinion these accounts give a true and fair view of the state of the company's affairs at 31st March 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

22nd July 1986

Rawlinson and Hunter

HARTFORD MARINA LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1986

	<u>Notes</u>	<u>1986</u>	<u>1985</u>
		£	£
TURNOVER		165,979	170,523
Cost of sales		61,455	95,367
GROSS PROFIT		104,524	75,156
Other operating expenses		86,991	71,673
Contribution to management company		7,000	20,000
		93,991	91,673
OPERATING PROFIT	2	10,533	(16,517)
Interest payable and similar charges	5	(3,885)	(3,286)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND EXTRAORDINARY ITEMS		6,648	(19,803)
Tax on profit on ordinary activities	6	(1,779)	4,740
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		4,869	(15,063)
Extraordinary items	7	-	(263,201)
PROFIT FOR THE YEAR		4,869	(278,264)
BALANCE AT BEGINNING OF YEAR		(282,618)	(4,354)
BALANCE AT END OF YEAR		£(277,749)	£ (282,618)

HARTFORD MARINA LIMITED

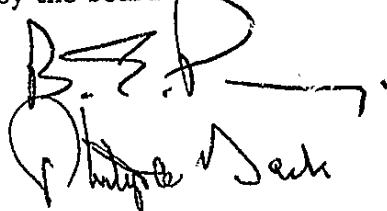
BALANCE SHEET

31ST MARCH 1986

	<u>Notes</u>	<u>1986</u>	<u>1985</u>
		£	£
FIXED ASSETS			
Tangible assets	8	304,574	305,337
CURRENT ASSETS			
Stocks	9	11,134	10,417
Debtors	10	17,663	9,769
Cash at bank and in hand		4,714	3,751
		<u>33,511</u>	<u>23,937</u>
CREDITORS - amounts falling due within one year	11	<u>99,045</u>	<u>96,882</u>
NET CURRENT LIABILITIES		<u>(65,534)</u>	<u>(72,945)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		239,040	232,392
CREDITORS - amounts falling due after more than one year	12	240,000	240,000
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>4,089</u>	<u>2,310</u>
		<u>244,089</u>	<u>242,310</u>
		<u>£ (5,049)</u>	<u>£ (9,918)</u>
CAPITAL AND RESERVES			
Called up share capital	14	272,700	272,700
Profit and loss account		(277,749)	(282,618)
		<u>£ (5,049)</u>	<u>£ (9,918)</u>

Approved by the board of directors on

26th June 1986



Philip J. Seck

HARTFORD MARINA LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST MARCH 1986

	<u>Notes</u>	<u>1986</u>	<u>1985</u>
		£	£
GENERATED/(ABSORBED) BY OPERATIONS			
Profit on ordinary activities before taxation		6,648	(19,803)
Items not involving the movement of funds:			
Depreciation	8	10,350	10,429
Loss on disposal of tangible fixed assets		-	387
		<u>10,350</u>	<u>10,816</u>
		<u>£ 16,998</u>	<u>£ (8,987)</u>
SOURCE OF FUNDS			
Generated by operations		16,998	-
Proceeds on disposal of tangible fixed assets		-	230
		<u>16,998</u>	<u>230</u>
APPLICATION OF FUNDS			
Absorbed by operations		-	(8,987)
Purchase of tangible fixed assets	8	(9,587)	(16,573)
Repayment of intermediate holding company loan		-	(3,994)
		<u>(9,587)</u>	<u>(29,554)</u>
NET FUNDS PROVIDED		<u>£ 7,411</u>	<u>£ (29,324)</u>
MOVEMENTS IN WORKING CAPITAL			
Stocks		717	(28,645)
Debtors		7,894	(2,623)
Creditors		9,450	14,798
		<u>18,061</u>	<u>(16,470)</u>
Net liquid funds:			
Cash at bank and in hand		963	(3,384)
Bank overdraft		(11,613)	(9,470)
		<u>(10,650)</u>	<u>(12,854)</u>
INCREASE IN WORKING CAPITAL		<u>£ 7,411</u>	<u>£ (29,324)</u>

The notes on pages 6 to 11 form part of these accounts

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

1. ACCOUNTING POLICIES

Basis of accounting

These accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold property and pontoons.

The accounts have been prepared on a going concern basis as the directors have received assurances of continuing support from the intermediate holding company, Jasment Limited, as detailed in note 12.

Tangible fixed assets and depreciation

No depreciation is provided on freehold land. Provision for depreciation of other tangible fixed assets is made on the straight line basis at rates calculated to write off the cost or valuation of the assets over their expected working lives, as follows:

	<u>Years</u>
Buildings	- 45
Floats, moorings and pontoons	- 20
Motor vehicles	- 3
Plant and machinery	- 10
Office equipment	- 7

Operating Leases

Payments under operating leases are charged to profit and loss account over the period to which they relate.

Stocks

Stocks are valued at the lower of cost and net realisable value.
Cost is defined as being:

Boats for resale	- Purchase price plus costs of refurbishment on a specific identification basis.
Other merchandise held for resale	- Purchase price on a first in, first out basis.

Deferred taxation

Provision for deferred taxation is made using the liability method in respect of all short term timing differences and is also made in respect of long term timing differences except where they are not expected to reverse in the foreseeable future.

Revaluation of assets

Surpluses on revaluation are credited to revaluation reserve. Deficits on revaluation are debited to profit and loss account to the extent that they are not offset by previous surpluses on the same assets in the revaluation reserve.

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

2. OPERATING PROFIT

	<u>1986</u> £	<u>1985</u> £
Operating profit for the year was arrived at after charging:		
Auditors' remuneration	3,750	3,000
Depreciation of tangible fixed assets (note 8)	10,350	10,429
Hire of plant and machinery	3,340	3,340
and after crediting:		
Rents receivable	<u>£ 12,478</u>	<u>£ 10,000</u>

3. DIRECTORS' EMOLUMENTS

The aggregate emoluments (including pension contributions) of the directors, all of which were for management services were,

£ -	£ 11,051
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The emoluments (excluding pension contributions) of directors of the company were as follows:

Chairman	£ -	£ -
Highest paid director	£ -	£ 10,372
Other directors received emoluments in the following range:		

£0 - £5,000

No. of directors

1	1
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4. EMPLOYEES

No. of employees

The average number, including directors, employed by the company during the year was as follows:

Operations	3	3
Administration	5	5
	<u>8</u>	<u>8</u>

The related staff costs amounted to:

	£	£
Wages and salaries	40,384	39,809
Social security costs	3,824	4,155
Other pension costs	(762)	835
	<u>£ 43,446</u>	<u>£ 44,799</u>

Pensions

The company is contracted into the state pension scheme. However, certain employees and directors have been invited to participate in occupational pension schemes that comply with the Inland Revenue requirements. All the schemes are administered by life offices and comprise both contributory and non-contributory schemes. All schemes are adequately funded at the balance sheet date.

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1986</u> £	<u>1985</u> £
Interest on bank overdraft	£ 3,885	£ 3,286

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Transfer (to)/from deferred taxation	£ (1,779)	£ 4,740
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There is no liability to corporation tax based on the results for the year. There are corporation tax losses of £44,900 carried forward which can be offset against future profits arising from the same trade.

7. EXTRAORDINARY ITEMS

	<u>1986</u> £	<u>1985</u> £
Deficiency on revaluation of tangible fixed assets	-	(256,151)
Provision for deferred taxation resulting from the changes in the basis of taxation in the Finance Act 1984	-	(7,050)
	£ -	£(263,201)

8. TANGIBLE FIXED ASSETS

	Freehold property <u>Land</u> £	<u>Buildings</u> £	<u>Pontoons</u> £	Plant, equipment and motor vehicles £	<u>Total</u> £
Cost or valuation					
At 1st April 1985	61,222	190,000	43,838	19,738	314,798
Additions	-	-	-	9,587	9,587
Disposals	-	-	-	(290)	(290)
At 31st March 1986	61,222	190,000	43,838	29,035	324,095
Depreciation					
At 1st April 1985	-	-	-	9,461	9,461
Charge for year	-	4,180	2,192	3,978	10,350
Disposals	-	-	-	(290)	(290)
At 31st March 1986	-	4,180	2,192	13,149	19,521
Net book value					
At 31st March 1986	£61,222	£185,820	£ 41,646	£15,886	£304,574
At 31st March 1985	£61,222	£190,000	£ 43,778	£10,337	£305,337

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

8. TANGIBLE FIXED ASSETS (Continued)

The company's freehold land and buildings and pontoons were revalued at 31st March 1985 at £61,222, £190,000 and £43,778 respectively. . If stated under historical cost principles the comparable amounts for the totals of freehold land and buildings and pontoons at 31st March 1986 would be:

	Freehold property Land £	Buildings £	Pontoons £
Cost	301,132	228,598	55,588
Depreciation	-	27,386	14,589
Net book value	<u>£301,132</u>	<u>£201,212</u>	<u>£40,999</u>

9. STOCKS

	1986 £	1985 £
Boats for resale	-	1,500
Other merchandise held for resale	11,134	8,917
	<u>£ 11,134</u>	<u>£ 10,417</u>

The directors are of the opinion that the replacement cost of stock does not differ significantly from its cost as defined in note 1.

10. DEBTORS

Trade debtors	4,422	8,464
Amounts owed by group companies	8,009	-
Other debtors	4,765	801
Prepayments and accrued income	467	504
	<u>£ 17,663</u>	<u>£ 9,769</u>

11. CREDITORS - amounts falling due within one year

Bank overdraft	50,275	38,662
Trade creditors	10,961	9,933
Amounts owed to group companies	-	16,320
Accruals and deferred income	37,809	31,967
	<u>£ 99,045</u>	<u>£ 96,882</u>

The bank overdraft is secured by a fixed charge over the freehold land and buildings of the company.

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

12. CREDITORS - amounts falling due after
more than one year

	1986 £	1985 £
Amounts owed to group companies:		
Unsecured, interest free loan from Jasment Limited, the intermediate holding company	£240,000	£240,000

No part of the loan from Jasment Limited is payable unless, following payment, the company is solvent. In addition, Jasment Limited has undertaken that it will at all times ensure that the company will be maintained in a position that enables it to pay in full all its creditors, other than Jasment Limited, in relation to debts incurred on or prior to 31st March 1987.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

Balance at 1st April 1985	2,310	7,050
Transfer to/(from) deferred taxation	1,779	(4,740)
Balance at 31st March 1986	£ 4,089	£2,310
Provision for deferred taxation comprises:		
Tax allowances in excess of recorded depreciation (35%)	19,821	18,000
Losses available for future relief (35%)	(15,732)	(15,690)
	£ 4,089	£ 2,310

Provision has been made for the total potential liability for deferred taxation.

14. CALLED UP SHARE CAPITAL

Authorised		
Ordinary shares of 1p each	230,000	230,000
Deferred shares of £1 each	270,000	270,000
	£500,000	£500,000
Allotted, called up and fully paid		
Ordinary shares of 1p each	2,700	2,700
Deferred shares of £1 each	270,000	270,000
	£272,700	£272,700

HARTFORD MARINA LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1986

15. CAPITAL COMMITMENTS

	<u>1986</u> £	<u>1985</u> £
Contracted but not provided for in the accounts	£7,800	£ -

16. CONTINGENT LIABILITY

Guarantee

The company has given a guarantee in respect of certain bank borrowings of Jasment Limited, the intermediate holding company. At 31st March 1986 the borrowings so guaranteed amounted to £901,890 (1985 - £877,805).

17. OPERATING LEASES

	<u>1986</u> £	<u>1985</u> £
At 31st March 1986, the company had the following annual commitments under non-cancellable operating leases		
Operating leases which expire: in more than one year and less than five years	£ 655	£ 3,340

18. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Muro Investments Limited, a company incorporated in The Bahamas.