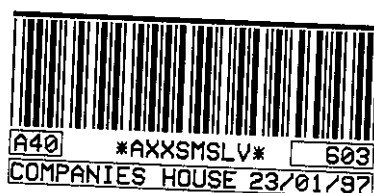


2354253

**BAINBRIDGE INTERNATIONAL LIMITED**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 1996**



**CHANTREY VELLACOTT**  
**Chartered Accountants**  
**Russell Square House**  
**10-12 Russell Square**  
**London WC1B 5LF**

# BAINBRIDGE INTERNATIONAL LIMITED

Directors: J D Short  
D J Meek  
A Baldacchino  
M Jordan  
G N J Norrish

Secretary: M Jordan

Registered Office: Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF

Registered Number: 2354253

Auditors: Chantrey Vellacott  
Chartered Accountants  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

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Cash flow statement	6
Notes to the accounts	7 - 13

# BAINBRIDGE INTERNATIONAL LIMITED

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 1996

The directors present their report, together with the audited accounts of the company, for the year ended 31 August 1996.

### DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the business is a going concern.

### RESULTS AND DIVIDENDS

The results for the year are shown on page 4 of the accounts.

The directors do not recommend a dividend for the year.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of the manufacture and marketing of boat fittings and distributors of sailcloth.

The principal activities of the company's subsidiary undertaking is printing and publishing.

The directors consider that the group's results for the year are as expected.

### FUTURE DEVELOPMENTS AND EVENTS SINCE THE YEAR END

There are no events since the end of the year which have had a material effect on the company.

### FIXED ASSETS

Changes in the company's fixed assets during the year are shown in notes 9 to 11 of the accounts.

### DIRECTORS

The directors who served during the year were as follows:

J D Short  
D J Meek  
A Baldacchino  
M Jordan  
G N J Norrish

A Baldacchino retires and, being eligible, offers himself for re-election.

No director had any interest in the company's share capital during the year.

### AUDITORS

A resolution to reappoint Chantrey Vellacott as auditors of the company will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors on 18th December 1996  
and signed on their behalf by:

D J MEEK  
Director



**REPORT OF THE AUDITORS TO THE MEMBERS OF  
BAINBRIDGE INTERNATIONAL LIMITED**

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 August 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CHANTREY VELLACOTT**

Chartered Accountants  
Registered Auditors  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

18 December 1996

**REPORT OF THE AUDITORS TO THE DIRECTORS OF  
BAINBRIDGE INTERNATIONAL LIMITED**

**PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985**

We have examined the accounts of the company for the year ended 31 August 1996 and its subsidiary for the year ended 31 December 1995.

**BASIS OF OPINION**

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group accounts.

**OPINION**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.



**CHANTREY VELLACOTT**

Chartered Accountants  
Registered Auditors  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

14 December 1996

**BAINBRIDGE INTERNATIONAL LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 1996**

	Notes	1996 £	1995 £
Turnover	2	4,443,232	3,659,626
Cost of sales		3,169,139	2,736,801
<b>Gross profit</b>		<b>1,274,093</b>	<b>922,825</b>
Administrative expenses		1,127,404	921,523
<b>Operating profit</b>		<b>146,689</b>	<b>1,302</b>
Interest receivable and similar income	3	4,103	2,079
Interest payable and similar charges	4	(77,184)	(76,489)
<b>Profit/(loss) on ordinary activities before taxation</b>	5	<b>73,608</b>	<b>(73,108)</b>
Taxation	8	895	-
<b>Profit/(loss) for the financial year</b>		<b>74,503</b>	<b>(73,108)</b>
Retained profit brought forward		230,221	303,329
Retained profit carried forward		304,724	230,221

None of the company's activities was acquired or discontinued during the above two financial years.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results shown above and their historical cost equivalents.

The notes on pages 7 to 13 form part of these financial statements.

# BAINBRIDGE INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 1996

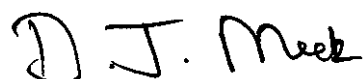
	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Intangible assets	9	4,213	4,714
Tangible assets	10	194,370	111,029
Investments	11	1	1
		<hr/>	<hr/>
		198,584	115,744
<b>Current assets</b>			
Stocks	12	1,004,362	758,264
Debtors	13	1,033,838	941,566
Cash at bank and in hand		146,927	160,322
		<hr/>	<hr/>
		2,185,127	1,860,152
<b>Creditors: amounts falling due within one year</b>	14	2,042,048	1,720,908
		<hr/>	<hr/>
<b>Net current assets</b>		143,079	139,244
<b>Total assets less current liabilities</b>		<hr/>	<hr/>
		341,663	254,988
<b>Creditors: amounts falling due after more than one year</b>	15	36,639	24,467
		<hr/>	<hr/>
		305,024	230,521
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	16	300	300
Profit and loss account		304,724	230,221
		<hr/>	<hr/>
<b>Shareholders' funds</b>	17	305,024	230,521
		<hr/>	<hr/>

Approved by the Board of Directors on 13 December 1996  
and signed on its behalf by:

J D SHORT



D J MEEK



The notes on pages 7 to 13 form part of these financial statements.

**BAINBRIDGE INTERNATIONAL LIMITED****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 AUGUST 1996**

	Notes	1996 £	1995 £
<b>Operating activities</b>			
Net cash inflow from operating activities	18(a)	71,114	236,707
<b>Returns on investments and servicing of finance</b>			
Interest received		4,103	2,079
Interest paid		(77,184)	(76,489)
Net cash outflow from returns on investments and servicing of finance		(73,081)	(74,410)
		(1,967)	162,297
<b>Taxation</b>			
Corporation tax paid		(1,820)	(312)
		(3,787)	161,985
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(128,311)	(81,988)
Receipts from sale of tangible fixed assets		-	1,195
Net cash outflow from investing activities		(128,311)	(80,793)
Net cash flow before financing		(132,098)	81,192
<b>Financing</b>			
Changes in financing	18(d)	23,085	36,949
(Decrease)/increase in cash and cash equivalents	18(b) & 18(c)	(109,013)	118,141

The notes on pages 7 to 13 form part of these financial statements.



# **BAINBRIDGE INTERNATIONAL LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 1996**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The accounts have been prepared under the historical cost basis of accounting and are prepared in accordance with applicable accounting standards.

The accounts present information of the company as a individual undertaking. The company is not required to prepare group accounts as the group qualifies as medium-sized under Section 249 of the Companies Act 1985.

#### **Depreciation of tangible fixed assets**

Depreciation is provided on all tangible fixed assets, to write off the cost, less estimated residual value, of each asset over its expected useful life at the following rates:

Motor vehicles	: 4 years
Plant and equipment	: 10 years
Computer equipment	: 5 years
Office equipment	: 10 years
Computer development	: 4 years

#### **Amortisation**

Goodwill is amortised over 20 years from its original capitalisation by the predecessor business during the accounting year ended 31 December 1985, in order to write off the cost over the expected economic life.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### **Deferred taxation**

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year end. All other gains and losses on exchange are dealt with in the profit and loss account.

#### **Hire purchase and lease transactions**

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to profit and loss account as they fall due.

#### **Pensions**

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged to the profit and loss account as they become payable. There were no outstanding contributions at the year end (1995 - nil).

# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

### 2. TURNOVER

Turnover represents the amounts receivable for goods sold during the year, exclusive of VAT.

No analysis of turnover according to geographic market is disclosed because, in the opinion of the directors, disclosure would be seriously prejudicial to the interests of the company.

3. INTEREST RECEIVABLE AND SIMILAR INCOME	1996 £	1995 £
Bank interest	4,103	2,079

4. INTEREST PAYABLE AND SIMILAR CHARGES	1996 £	1995 £
On bank loan, bank overdraft and other loans - repayable within 5 years	73,294	75,062
On obligations under finance leases	3,890	1,427
	<u>77,184</u>	<u>76,489</u>

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1996 £	1995 £
This is stated after charging:		
Directors' emoluments (note 6)	118,265	91,224
Amortisation	501	501
Depreciation	44,970	14,081
Loss on disposal of tangible fixed assets	-	2,755
Operating lease rentals:		
- Motor vehicles	20,443	28,127
- Computer and equipment	-	6,084
Auditors' remuneration	9,000	8,500

6. DIRECTORS' EMOLUMENTS	1996 £	1995 £
Directors' remuneration		
Emoluments	113,508	88,272
Pension contributions	4,757	2,952
	<u>118,265</u>	<u>91,224</u>

Remuneration excluding pension contributions:	£	£
Chairman	Nil	Nil
Highest paid director	49,788	39,204

Other directors (excluding pension contributions)	Number	Number
Up to £5,000	1	1
£5,001 to £10,000	-	1
£10,001 to £15,000	-	1
£25,001 to £30,000	1	1
£30,001 to £35,000	1	-

# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

### 6. DIRECTORS' EMOLUMENTS (continued)

Parkwood Management Ltd, a company in which Mr. J.D. Short and Mr. D.J. Meek are directors, received fees amounting to £53,333 (1995 : £46,666) in respect of management consultancy services of Mr J.D. Short and Mr. D.J. Meek.

### 7. STAFF COSTS AND EMPLOYEES (including directors)

	1996 £	1995 £
Wages and salaries	527,073	456,743
Social security costs	46,507	43,469
Other pension costs	18,120	20,191

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	591,700	520,403
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The average weekly number of employees during the year was:

	Number	Number
Office and management	7	8
Manufacturing, sales and distribution	21	19
	28	27

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### 8. TAXATION

1996 £	1995 £
-----------	-----------

Based on the results for the year:

UK corporation tax on profit on ordinary activities at 24% (1995: 25%)

Adjustment to prior year

-	-
895	-
895	-

---

No tax charge arises in the current or prior years due to the availability of losses for tax purposes.

### 9. INTANGIBLE ASSETS

Goodwill  
£

Cost:

1 September 1995 and  
31 August 1996

7,885

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Amortisation:

1 September 1995  
Charge for year

3,171  
501

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31 August 1996

3,672

---

Net book value:

31 August 1996

4,213

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31 August 1995

4,714

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# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

10. TANGIBLE FIXED ASSETS	Motor vehicles £	Plant and equipment £	Computer equipment £	Office equipment £	Computer development £	Total £
Cost:						
1 September 1995	58,878	41,130	31,251	9,826	16,792	157,877
Additions	53,916	26,790	21,032	557	26,016	128,311
31 August 1996	112,794	67,920	52,283	10,383	42,808	286,188
Depreciation:						
1 September 1995	8,131	27,356	5,581	4,970	810	46,848
Charge for year	21,808	5,515	9,568	652	7,427	44,970
31 August 1996	29,939	32,871	15,149	5,622	8,237	91,818
Net book value:						
31 August 1996	£ 82,855	£ 35,049	£ 37,134	£ 4,761	£ 34,571	£ 194,370
31 August 1995	£ 50,747	£ 13,774	£ 25,670	£ 4,856	£ 15,982	£ 111,029

Included within fixed assets are assets held under finance leases as follows:

	Plant and equipment £	Motor vehicles £	Computer equipment £
Net book value	11,000	82,854	11,553
Depreciation provided during the year	-	21,808	2,806

## 11. INVESTMENTS

Cost:	
1 September 1995 and 31 August 1996	1

At 31 August 1996 the company has the following subsidiary undertaking, which is incorporated in Great Britain and registered in England and Wales.

	Capital and reserves £	Profit for the financial year £	Group interest in ordinary shares
Copymatch Limited	30,882	1,171	100%

Under the equity method of valuation the aggregate value of the investment in the subsidiary undertaking as at 31 December 1995 is £30,882 (31 December 1994: £32,053).

The accounts of Copymatch Limited are prepared to 31 December. Since the parent company is not required to prepare group accounts the directors do not consider it necessary to change the accounting reference date of this company. The last accounts prepared for this company were for the year ended 31 December 1995.

# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

12.	STOCKS	1996 £	1995 £
	Finished goods	<u>1,004,362</u>	<u>758,264</u>
13.	DEBTORS	1996 £	1995 £
	Trade debtors	887,829	824,351
	Other debtors	2,377	15,033
	Prepayments and accrued income	<u>143,632</u>	<u>102,182</u>
		<u>1,033,838</u>	<u>941,566</u>
14.	CREDITORS: amounts falling due within one year	1996 £	1995 £
	Bank overdraft	102,712	7,094
	Bank loan	650,000	650,000
	Obligations under hire purchase contracts	38,891	27,978
	Trade creditors	<u>1,053,106</u>	<u>757,364</u>
	Amount owed to subsidiary undertaking	28,962	29,905
	Corporation tax	-	2,715
	Other creditors	45	33,211
	Other taxation and social security	16,696	12,993
	Accruals and deferred income	<u>151,636</u>	<u>199,648</u>
		<u>2,042,048</u>	<u>1,720,908</u>
The bank loan is secured by a fixed and floating charge over the assets of the company.			
15.	CREDITORS: amounts falling due after more than one year	1996 £	1995 £
	Obligations under hire purchase contracts	<u>36,639</u>	<u>24,467</u>
	Obligations under hire purchase contracts are payable:		
	Between one and two years	29,562	18,835
	Between two and five years	<u>7,077</u>	<u>5,632</u>
		<u>36,639</u>	<u>24,467</u>
16.	CALLED UP SHARE CAPITAL	1996 £	1995 £
	Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, issued and fully paid: 300 ordinary shares of £1 each	<u>300</u>	<u>300</u>

# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

17.	RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS	1996 £	1995 £	
	Profit/(loss) for the year	74,503	(73,108)	
	Opening shareholders' funds	230,521	303,629	
		<hr/>	<hr/>	
	Closing shareholders' funds	305,024	230,521	
		<hr/>	<hr/>	
18.	a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1996 £	1995 £	
	Operating profit	146,689	1,302	
	Amortisation	501	501	
	Depreciation	44,970	14,081	
	Loss on sale of tangible fixed assets	-	2,755	
	Increase in stocks	(246,098)	(284,098)	
	(Increase)/decrease in debtors	(92,272)	17,589	
	Increase in creditors	217,324	484,577	
		<hr/>	<hr/>	
		71,114	236,707	
		<hr/>	<hr/>	
	b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1996 £	1995 £	
	Balance at 1 September 1995	153,228	35,087	
	Net cash (outflow)/inflow	(109,013)	118,141	
		<hr/>	<hr/>	
	Balance at 31 August 1996	£ 44,215	£ 153,228	
		<hr/>	<hr/>	
	c) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	1996 £	1995 £	Change in year £
	Cash at bank and in hand	146,927	160,322	(13,395)
	Bank overdraft	(102,712)	(7,094)	(95,618)
		<hr/>	<hr/>	<hr/>
		44,215	153,228	(109,013)
		<hr/>	<hr/>	<hr/>
	d) ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	1996 £	Hire purchase contracts 1995 £	
	At 1 September 1995	52,445	15,496	
	Cash flow from financing	23,085	36,949	
		<hr/>	<hr/>	
	At 31 August 1996	75,530	52,445	

# BAINBRIDGE INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

(Continued)

### 19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

At 31 August 1996 the company had annual commitments under non-cancellable operating leases as follows:

	1996		1995	
	Land and buildings £	Other £	Land and buildings £	Other £
Contracts expiring:				
Within one year	-	1,101	-	7,342
Within one to five years	-	-	-	-
After five years	53,150	-	53,150	-
	<u>53,150</u>	<u>1,101</u>	<u>53,150</u>	<u>7,342</u>

### 20. DIRECTORS' INTEREST IN CONTRACTS

Mr J D Short and Mr D J Meek are directors of Parkwood Management Ltd and hold 76% and nil% respectively of that company's share capital. Parkwood Management Ltd have recharged expenses at cost for the following services in the year. The amount due to Parkwood Management Limited at 31 August 1996 is £60,834 (1995 - £115,657) and is included in accruals and deferred expenditure.

	1996 £	1995 £
Management fees	53,333	46,667
Research and development	42,291	16,772
Advertising	392	450
Restructuring costs	3,276	7,875
Legal fees	5,001	-
Travel costs	2,430	-
Postage costs	33	-
Stock costs	1,483	-
	<u>108,239</u>	<u>71,764</u>

### 21. PARENT COMPANY

The directors regard the ultimate parent company to be Meadowcrest Investments Limited, a company incorporated in the Irish Republic.

### 22. CONTINGENT LIABILITIES

The company has, under documentary letters of credit, contingent liabilities amounting to £14,985.

Lloyds Bank plc have given a £60,000 guarantee to H M Customs and Excise for a VAT deferment bond on behalf of the company.