DOLPHIN SAILS LIMITED ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 2005



DOLPHIN SAILS LIMITED ABBREVIATED ACCOUNTS YEAR ENDED 31 DECEMBER 2005

CONTENTS	PAGES
Abbreviated balance sheet	1 to 2
Notes to the abbreviated accounts	3 to 5

ABBREVIATED BALANCE SHEET

31 DECEMBER 2005

			2005	
	Note	£	£	£
FIXED ASSETS	2			
Intangible assets	_		88,998	94,561
Tangible assets			5,225	2,284
			94,223	96,845
CURRENT ASSETS				
Stocks		88,198		87,883
Debtors		191,182		281,206
Cash at bank and in hand		46,570		41,644
		325,950		410,733
CREDITORS: Amounts falling due within one year	ır	282,966		400,178
NET CURRENT ASSETS			42,984	10,555
TOTAL ASSETS LESS CURRENT LIABILITIE	S		137,207	107,400
PROVISIONS FOR LIABILITIES AND CHARG	ES		396	250
			136,811	107,150
CAPITAL AND RESERVES				
Called-up equity share capital	5		2	2
Profit and loss account			136,809	107,148
SHAREHOLDERS' FUNDS			136,811	107,150

The Balance sheet continues on the following page.
The notes on pages 3 to 5 form part of these abbreviated accounts.

ABBREVIATED BALANCE SHEET (continued)

31 DECEMBER 2005

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 10 October 2006 and are signed on their behalf by:

M VINCENT

Director

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill

5% straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment

- 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST	*	-	ı.
At 1 January 2005	111,250	3,269	114,519
Additions	, <u> </u>	4,453	4,453
At 31 December 2005	111,250	7,722	118,972
DEPRECIATION			
At 1 January 2005	16,689	985	17,674
Charge for year	5,563	1,512	7,075
At 31 December 2005	22,252	2,497	24,749
NET BOOK VALUE			
At 31 December 2005	88,998	5,225	94,223
At 31 December 2004	94,561	2,284	96,845
			

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

3. TRANSACTIONS WITH THE DIRECTORS

During the year the company was charged £12,000 (2004: £12,000) for rent of its premises by F Vincent, and £23,453 (2004: £20,350) for the hire of plant and machinery by the Vincent Partnership, a business in which F Vincent and M Vincent are partners. The amount owed to the Vincent Partnership at the year end was£114,153 (2004: £73,200).

During the year the company was provided with interest free loans, repayable on demand, by F Vincent and M Vincent who are both directors and shareholders of the company.

The amounts owed to F Vincent were as follows: beginning of the year £201,119; end of the year £70,619; the maximum during the year was £201,119.

The amounts owed to M Vincent were as follows: beginning of the year £12,062; end of the year £3,576; the maximum during the year was £12,062.

4. RELATED PARTY TRANSACTIONS

The directors are of the opinion that no individual had control of the company during the year.

During the year the company sold goods and services with a value of £124,035 (2004: £163,325) to Gowen Ocean Sailmakers Ltd, a company under common control. The company also purchased goods in the sum of £70,433 (2004: £50,580) from Gowen Ocean Sailmakers Ltd.

The company also provided management services to Gowen Ocean Sailmakers Ltd for which it charged a management fee of £32,031 (2004: £29,908). The balance due from Gowen Ocean Sailmakers Ltd at the year end was £151,491 (2004: £243,499).

5. SHARE CAPITAL

Auth	orised	share	capital	:
------	--------	-------	---------	---

100 Ordinary shares of £1 each			£ 100 —	£ 100
Allotted, called up and fully paid:	2005		2004	
Ordinary shares of £1 each	No 2	£ 2	No 2	£ 2
•		<u></u>		

2005

2004