

Company Registration No. 2973858

Premier Marinas Limited

Report and Financial Statements

31 March 2007

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Premier Marinas Limited

Report and financial statements 2007

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	5
Independent auditors' report	6
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11
Notes to the accounts	12

Premier Marinas Limited

Report and financial statements 2007

Officers and professional advisers

Directors

R J Boissier
T R Mason
J M Cervenka
I D Mason
C N B Lacey
N Patel
J Sharman
P H Bradshaw

Secretary

T R Allen

Registered Office

Swanwick Marina
Swanwick
Southampton
Hampshire
SO31 1ZL

Bankers

HSBC
31 Holborn
London
EC1N 2HR

Solicitors

Blake Laphorn Tarlo Lyons
Kings Court
21 Brunswick Place
Southampton
Hampshire
SO15 2AQ

Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Premier Marinas Limited

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2007

Principal activity

The principal activities of the group during the year were marina management and development, property management and development and boat sales

The subsidiary undertakings principally affecting the profits or net assets of the group in the year are listed in note 13 to the financial statements

Business review

The results for the year are set out in the group profit and loss account on page 8

The Directors are satisfied with the performance of the group for the year and with its financial position at the end of the year

The reorganisation and integration of the A H Moody & Son Limited group was completed during the year. The costs associated with this, and which are included in the results for the year amounted to £238,672

The group's head office provides senior management and shared service functions for finance, marketing, property development, HR and IT. The group's businesses, which are managed individually, report into the head office which is responsible for setting and monitoring performance targets. A broad range of performance indicators are applied and the Directors are satisfied with the performance of all of the group's business against the targets set for the year. Performance indicators have not been disclosed as it is not considered necessary for the understanding of these financial statements

The Directors do not anticipate any significant changes to the level of business activity in the coming year

Principal risks and uncertainties

The group's activities expose it to a number of risks and uncertainties

There is a risk that the markets for the group's products and services or that its competitive position could deteriorate. Premier manages these risks through building strong relationships with its customers and by maintaining high standards of customer service. The group conducts regular market research to ensure that it continues to meet its customers' expectations

Premier recognises that its employees are critical to its success and the group is committed to creating a culture in which all employees feel valued for their contribution and are encouraged to achieve their full potential. The group successfully retained its Investors in People accreditation during the year

Premier is committed to ensuring the safety of those people who work with it or who could be affected by its activities. The group devotes significant resources to managing and improving the safety of its Operations. All such activities are actively promoted and led by the board, supported by internal and external reviews, training and education

The principal financial risks facing the group include foreign exchange, liquidity, credit and interest rate risk

The group's boat sales operation is exposed to a limited foreign exchange risk where new boats are purchased in euros, but sold in pounds sterling. The group manages this risk either by holding euro currency or through forward foreign exchange contracts

Premier Marinas Limited

Directors' report

Principal risks and uncertainties (continued)

The group's credit risk is primarily attributable to amounts receivable from its customers. Amounts owing by customers are closely managed and the group has no significant concentration of risk with exposure spread over a large number of customers.

To monitor liquidity and ensure that the group maintains sufficient funds for its ongoing operations and future developments, Premier closely monitors and forecasts profits and cashflow and maintains appropriate headroom in its overdraft and debt facilities.

The group had £35.2 million of bank debt at the beginning and end of the period. The interest rate risk of this debt is all fixed by way of interest rate swaps and the group's average interest rate on bank debt is 5.7%. The group's unsecured overdraft facility of £5 million attracts interest at 1% over base rate when drawn and is therefore subject to interest rate risk.

Results and dividends

The profit on ordinary activities after taxation attributable to shareholders was £3,487,000 (2006: £914,000). Interim dividends on the ordinary shares totalling £6,636,000 were paid during the year (2006: £893,000). This included a preferential distribution of £nil (2006: £893,000).

Directors and their interests

The Directors who held office throughout the year were (except as noted):

R J Boissier
T R Mason
J M Cervenka
I D Mason (resigned 7 November 2007)
C N B Lacey
N Patel
J Sharman
P H Bradshaw (appointed 4 September 2006)

In accordance with the company's Articles of Association, no Director retires by rotation. During the year, the group paid management fees totalling £647,000 (2006: £338,000) to Harlyn Asset Management Limited, a company owned by R J Boissier and registered in England and Wales.

None of the directors have any interests in the shares of the company. Mr Boissier, Mr Lacey, Mr Sharman and Mr Patel have an interest in the shares of the ultimate parent company Premier Marinas Jersey Holdings Limited, a company registered in Jersey.

Having made the requisite enquiries, so far as each Director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each of the Directors have taken all the steps he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Premier Marinas Limited

Directors' report

Auditors

A resolution to reappoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'T. L. M.', written over a horizontal line.

Secretary

10 January 2008

Premier Marinas Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the directors to prepare such financial statements for each financial year which 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 and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which comply with the requirements of the Companies Act 1985.

Independent auditors' report to the members of Premier Marinas Limited

We have audited the financial statements of Premier Marinas Limited for the year ended 31 March 2007 which comprise the consolidated profit and loss account, the group and company balance sheets, consolidated cash flow statement and the related notes 1 to 32. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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 financial statements 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 financial statements.

Independent auditors' report to the members of Premier Marinas Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23 January 2008

Premier Marinas Limited

Consolidated profit and loss account Year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Turnover	1,2	28,203	17,731
Cost of sales		(17,986)	(10,035)
Gross profit		10,217	7,696
Administrative costs	3	(2,801)	(3,212)
Operating profit		7,416	4,484
Net interest payable	7	(3,633)	(2,458)
Profit on ordinary activities before taxation	2,4	3,782	2,026
Tax charge on profit on ordinary activities	8	(295)	(1,112)
Profit on ordinary activities after taxation		3,487	914
Preferential distribution	10	-	(893)
Dividends	9	(6,636)	-
Retained (loss)/profit for the year	21	(3,149)	21


The above results relate entirely to continuing operations. There were no other recognised gains or losses in the current or prior year, consequently no statement of total recognised gains and losses is presented.

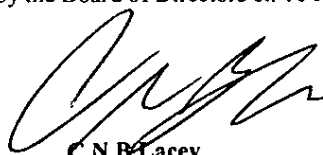
Premier Marinas Limited

Consolidated balance sheet 31 March 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Positive goodwill	11	881	881
Negative goodwill	11	(2,554)	(2,989)
Intangible assets		(1,673)	(2,108)
Tangible assets	12	75,224	75,163
		73,551	73,055
Current assets			
Stocks	14	2,208	4,047
Property stock	14	2,209	3,503
Development work in progress	15	1,549	1,141
Debtors	16	2,371	3,119
Cash at bank and in hand		1,959	1,972
		10,296	13,782
Creditors amounts falling due within one year	17	(30,456)	(30,408)
Net current liabilities		(20,160)	(16,626)
Total assets less current liabilities		53,391	56,429
Creditors amounts falling due after more than one year	17	(35,916)	(35,924)
Provisions for liabilities	18	(2,079)	(1,960)
Net assets		15,396	18,545
Capital and reserves			
Called up share capital	19	-	-
Share premium account	21	17,200	17,200
Profit and loss account	21	(1,804)	1,345
Shareholders' funds	22	15,396	18,545

These financial statements were approved by the Board of Directors on 10 January 2008 and were signed on its behalf by


R J Boissier
Director


C N B Lacey
Director

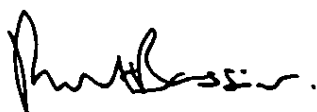


Premier Marinas Limited

Company balance sheet 31 March 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	12	23,746	23,743
Investments	13	21,272	21,248
		<u>45,018</u>	<u>44,991</u>
Current assets			
Stocks	14	22	21
Development work in progress	15	313	327
Debtors	16	31,101	29,646
Cash at bank and in hand		1,179	1,728
		<u>32,615</u>	<u>31,722</u>
Creditors amounts falling due within one year	17	<u>(24,191)</u>	<u>(23,136)</u>
Net current assets		<u>8,424</u>	<u>8,586</u>
Total assets less current liabilities		<u>53,442</u>	<u>53,577</u>
Creditors amounts falling due after more than one year	17	<u>(35,255)</u>	<u>(35,251)</u>
Provisions for liabilities	18	<u>(682)</u>	<u>(680)</u>
Net assets		<u>17,505</u>	<u>17,646</u>
Capital and reserves			
Called up share capital	19	-	-
Share premium account	21	17,200	17,200
Profit and loss account	21	305	446
Shareholders' funds	22	<u>17,505</u>	<u>17,646</u>

These financial statements were approved by the Board of Directors on 10 January 2008 and were signed on its behalf by



R J Boissier
Director



C N B Lacey
Director

Premier Marinas Limited

Consolidated cash flow statement Year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Net cash inflow from operating activities	25	12,160	4,607
Returns on investment and servicing of finance	26	(3,633)	(2,458)
Taxation	26	(37)	(445)
Capital expenditure and financial investment	26	(1,843)	(1,537)
Dividends paid		(6,636)	(893)
Acquisitions and disposals	26	-	(15,021)
Net cash inflow/(outflow) before use of liquid resources and financing		<u>11</u>	<u>(15,747)</u>
Financing (decrease)/increase in debt	26	<u>(24)</u>	<u>17,325</u>
(Decrease)/Increase in cash in the year	18	<u>(13)</u>	<u>1,578</u>

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

1. Accounting policies

Accounting convention and presentation of financial information

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom law and accounting standards, subject to revaluation of certain assets. The particular accounting policies adopted by the Directors are described below. They have all been applied consistently throughout the period.

Consolidation

The consolidated financial statements incorporate the results of Premier Marinas Limited and its subsidiary undertakings for the year ended 31 March 2007.

Subsidiaries have been consolidated under the acquisition method of accounting and the results of company acquisitions are included in the consolidated profit and loss account from the date of acquisition or to the date of disposal. Goodwill on consolidation represents the difference between the purchase consideration and the fair value of net assets acquired and is capitalised in the year in which it arises and is amortised over its useful economic life.

As permitted by Section 230 of the Companies Act 1985, Premier Marinas Limited is exempt from the requirement to present its own profit and loss account.

Operating results

The operating results include transactions at the marinas up to and including the Sunday nearest to 31 March of each year. All other transactions are included up to 31 March.

Fixed assets and depreciation

Freehold and leasehold land and buildings are stated at cost or derived from professional valuation. All other fixed assets are stated at cost less depreciation and less provision for impairment. The transitional rules of Financial Reporting Standard No. 15 "Tangible Fixed Assets" have been followed and assets have been retained at their previous valuations.

Depreciation is provided by the company to write off the cost or valuation less estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold and long leasehold land	Not depreciated
Freehold buildings	Fifty years
Long leasehold buildings	Over the length of the lease
Pontoons	4% - 10%
Lock structures	2.5% - 5%
Motor vehicles	25%
Plant and machinery	2% - 50%
Fixtures, fittings and office equipment	13% - 25%

Goodwill

Goodwill arising on the acquisition of subsidiary companies is carried in the balance sheet as an intangible fixed asset. Where goodwill is regarded as having an indefinite economic life, in accordance with Financial Reporting Standard 10 'Goodwill and Intangible assets' it is not amortised but carried in the balance sheet at the value arising on acquisition. The carrying value of non-amortised goodwill is subjected to an annual impairment review based upon independent annual valuations of the assets acquired in accordance with Financial Reporting Standard 11 'Impairment of fixed assets and goodwill'. Diminutions in the value of goodwill to below the carrying value are charged to the profit and loss account.

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

1. Accounting policies (continued)

Goodwill (continued)

This treatment represents a departure from the Companies Act 1985, which requires amortisation to be charged systematically over an estimated life. In this respect, the Companies Act conflicts with the UK accounting standards above.

The value of the unamortised goodwill at the balance sheet date is £881,000.

Negative goodwill is included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Investments

Investments are stated at cost less any provision for impairment.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease. Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

Stocks and property stocks

Stocks and property stocks are stated at the lower of cost and net realisable value.

Development work in progress

Development work in progress is shown at the lower of cost and net realisable value. Cost includes property planning, environmental and architecture fees incurred on development projects. Development costs are capitalised only when the outcome of the development project can be assessed with reasonable certainty and only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

1. Accounting policies (continued)

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Pension costs

The Group participates in four defined contribution pension plans, administered by Legal and General Assurance Society, Equitable Life Assurance Society, Scottish Life and Norwich Union. Contributions are charged to the profit and loss account in the year in which they are incurred.

Turnover

Turnover represents the amounts (excluding value added tax) derived from renting of marina berthing, sales of other associated marina goods and services, new boat sales, brokerage commissions and rents receivable from properties in the United Kingdom.

2 Analysis of turnover and profit on ordinary activities before taxation

	2007		2006	
	Turnover	Attributable pre-tax profit/(loss)	Turnover	Attributable pre-tax profit/(loss)
	£'000	£'000	£'000	£'000
Marina berth fees and associated marina goods and services	17,303	2,032	15,139	1,433
Boat sales and brokerage	6,458	(546)	822	(397)
Rent and service charge from properties	4,442	2,009	1,770	904
Goodwill written back	-	287	-	86
	<u>28,203</u>	<u>3,782</u>	<u>17,731</u>	<u>2,026</u>

In the directors' opinion it is not possible to present a split of net assets by class of business as required by SSAP 25. All turnover derives from the United Kingdom and all operations are based in the United Kingdom.

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

3. Administrative expenses

	2007 £'000	2006 £'000
Salary costs	1,441	1,582
Legal and professional fees	275	250
Administrative and motor costs	467	468
Marketing	536	349
	<hr/>	<hr/>
Ongoing expenses	2,719	2,649
Management recharges	675	649
Negative goodwill written back in year	(287)	(86)
Disposal of negative goodwill related to asset sold	(306)	-
	<hr/>	<hr/>
	2,801	3,212
	<hr/>	<hr/>

4. Profit on ordinary activities before taxation

Is stated after charging/(crediting)

	2007 £'000	2006 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	5	5
Fees payable to the company's auditors and their associates for other services to the group - the audit of the company's subsidiaries pursuant to legislation	64	92
	<hr/>	<hr/>
Total audit fees	69	97
Other services pursuant to legislation – tax services	35	40
Other services pursuant to legislation – due diligence	25	-
	<hr/>	<hr/>
Total	129	137
	<hr/>	<hr/>
Depreciation of owned fixed assets	1,678	1,248
Negative goodwill written back	(287)	(86)
Disposal of negative goodwill related to brand	(306)	-
Operating leases - hire of plant and machinery	135	69
- land and buildings	643	700
Loss on disposal of fixed assets	104	202
	<hr/>	<hr/>

The auditors received, in addition to the above, remuneration for group tax advisory services of £35,000 (2006 £40,000) and for Due Diligence services of £25,000 (2006 £nil)

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

5 Employees

Staff costs during the year were

	2007 £'000	2006 £'000
Wages and salaries	3,700	2,851
Social security costs	283	285
Pension costs	143	147
	<u>4,126</u>	<u>3,283</u>

The average weekly number of employees and Directors during the year was

	2007 No	2006 No.
Marina operations	128	95
Administration	32	51
	<u>160</u>	<u>146</u>

6 Directors' emoluments

	2007 £'000	2006 £'000
Directors' emoluments	325	477
Pension contributions	29	25
	<u>354</u>	<u>502</u>

Highest paid Director

	£'000	£'000
Salary and fees	132	112
Bonuses	-	130
Taxable benefits	25	20
	<u>157</u>	<u>262</u>

During the year, the group paid management fees totalling £647,000 (2006 - £338,000) to Harlyn Asset Management Limited, a company owned by R J Boissier who is a director of Premier Marinas Limited

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

7. Interest payable

	2007 £'000	2006 £'000
Bank interest	2,067	2,124
Preference share interest	12	-
Inter-group loan interest	1,554	334
	<u>3,633</u>	<u>2,458</u>

8. Tax charge on profit on ordinary activities

	2007 £'000	2006 £'000
United Kingdom corporation tax at 30% (2006 30%)	176	245
Over provisions in respect of previous year	-	(35)
Total current tax	176	210
Deferred taxation (note 18)		
Origination of timing differences	85	190
Discount on timing differences	-	712
Adjustment in respect of prior year	34	-
	<u>295</u>	<u>1,112</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2005 30%)
The actual tax charge for the current and the previous year is lower than the standard rate for the reasons set out in the following reconciliation

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	3,782	2,026
Tax on profit on ordinary activities at standard rate	1,135	608
Factors affecting charge for the year		
Capital allowances for year in excess of depreciation	(95)	(81)
Other permanent differences	22	(199)
UK Dividend income	(60)	-
Group relief not paid for	(826)	(245)
CY losses not utilised	-	180
Adjustment to tax charge in respect of prior years	-	(18)
Over provision in respect of prior years	-	(35)
Total actual amount of current tax	<u>176</u>	<u>210</u>

No provision has been made for deferred tax on revaluing land and buildings to market value as there is no intention to dispose of the properties

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

9 Dividends

	2007 £'000	2006 £'000
Interim ordinary dividend at £663.60 per share (2006 nil)	6,636	-
	<u>6,636</u>	<u>-</u>

10 Preferential distribution

	2007 £'000	2006 £'000
Premium paid on redemption of loan notes	-	893
	<u>-</u>	<u>893</u>

The premium paid on redemption of loan notes during 2006 was subject to the distributable profits of Premier Marinas Limited

11 Intangible fixed assets – goodwill

The analysis of movements in intangible fixed assets is as follows

	Positive goodwill £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 April 2006	881	(3,075)	(2,194)
Additions	-	(158)	(158)
	<u>881</u>	<u>(3,233)</u>	<u>(2,352)</u>
At 31 March 2007			
Amortisation			
At 1 April 2006	-	86	86
Disposals	-	306	306
Negative goodwill written back	-	287	287
	<u>-</u>	<u>679</u>	<u>679</u>
At 31 March 2007			
Net Book Value			
At 31 March 2007	881	(2,554)	(1,673)
	<u>881</u>	<u>(2,989)</u>	<u>(2,108)</u>
At 31 March 2006			
	<u>881</u>	<u>(2,989)</u>	<u>(2,108)</u>

Negative goodwill is being written back on a straight line basis over a period of ten years, which is equal to the period over which the related non-monetary assets of the acquired business are being depreciated

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

12. Tangible fixed assets

Group	Freehold land and buildings £000	Long leasehold land and buildings £000	Lock structure £000	Pontoons £000	Fixtures, fittings & equipment £000	Total £000
Cost/Valuation						
At 1 April 2006	31,762	33,077	2,163	9,856	7,393	84,251
Additions	-	777	-	143	923	1,843
Disposals	-	-	-	-	(976)	(976)
At 31 March 2007	31,762	33,854	2,163	9,999	7,340	85,118
Depreciation						
At 1 April 2006	1,804	614	596	2,574	3,500	9,088
Additions	-	-	-	-	-	-
Charge for year	298	153	49	459	719	1,678
Disposals	-	-	-	-	(872)	(872)
At 31 March 2007	2,102	767	645	3,033	3,347	9,894
Net book value						
At 31 March 2007	29,660	33,087	1,518	6,966	3,993	75,224
At 31 March 2006	29,958	32,463	1,567	7,282	3,893	75,163

Included in long leasehold land and buildings is a property stated at open market value with existing use of £2,600,000 (2006 £2,600,000) This valuation was assessed by King Sturge and Co, Chartered Surveyors 40 Berkeley Square, Bristol on 11 May 1994 This valuation was incorporated into the accounts for the year ended 31 March 1994 The historical cost net book value of this property at 31 March 2007 was £2,134,000 (2006 £2,134,000)

The freehold and long leasehold land and buildings were valued as at 31 December 2006 by Knight Frank, 20 Hanover Square, London, W1 based on the current open market with existing use This valuation has not been incorporated into the accounts at 31 March 2007

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

12 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Long leasehold land and buildings £000	Lock structure £000	Pontoons £000	Fixtures, fittings & equipment £000	Total £000
Cost/valuation						
At 1 April 2006	13,754	6,089	2,163	3,716	1,116	26,838
Additions	-	4	-	76	501	581
Disposals	-	-	-	-	-	-
At 31 March 2007	13,754	6,093	2,163	3,792	1,617	27,419
Depreciation						
At 1 April 2006	580	197	596	1,365	357	3,095
Charge for year	99	38	49	166	226	578
Disposals	-	-	-	-	-	-
At 31 March 2007	679	235	645	1,531	583	3,673
Net book value						
At 31 March 2007	13,075	5,858	1,518	2,261	1,034	23,746
At 31 March 2006	13,174	5,892	1,567	2,351	759	23,743

13 Investments – company

	Investment in subsidiary undertakings £'000
Cost and net book value	
At 1 April 2006	21,248
Additions	24
At 31 March 2007	21,272

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

13 Investments (continued)

The principal operating subsidiary undertakings at 31 March 2007 are set out below

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Premier Marinas (Gosport) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Southsea) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Falmouth) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Marinas (Brighton) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Gosport Real Estate Limited	Great Britain	Property development	Ordinary shares 100%
Gosport Estates Limited	Great Britain	Property development	Ordinary shares 100%
Premier Marinas (Hamble) Limited	Great Britain	Operation of a yacht marina	Ordinary shares 100%
Premier Yacht Sales Limited	Great Britain	Brokerage and sale of new yachts	Ordinary shares 100%
Falmouth Yacht Marina Limited	Great Britain	Holding company	Ordinary shares 100%

14. Stocks and property stock

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Finished goods and goods for resale	2,208	22	4,047	21
Property Stock	2,209	-	3,503	-

The replacement cost of finished goods and goods for resale is not materially different to the carrying value

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

15. Development work in progress

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Work in progress	1,549	313	1,141	327

16. Debtors

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year				
Trade debtors - group	1,280	567	1,845	234
Amounts owed by group undertakings	76	30,120	-	28,933
Other debtors	675	288	225	97
Prepayments and accrued income	340	43	1,049	212
Corporation tax	-	83	-	170
	2,371	31,101	3,119	29,646

17. Creditors

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Trade creditors	615	541	1,887	541
Corporation tax	65	-	8	-
Other taxation and social security	1,110	882	961	609
Other creditors	237	112	601	153
Accruals and deferred income	10,254	4,481	8,776	3,658
Amounts owed to group undertakings	18,175	18,175	18,175	18,175
	30,456	24,191	30,408	23,136
Amounts falling due after more than one year				
Bank loan	35,194	35,194	35,194	35,194
Minority interest preference shares (note 20)	373	-	397	-
Accruals and deferred income	349	61	333	57
	35,916	35,255	35,924	35,251

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

17. Creditors (continued)

The bank loan is repayable as follows

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Within two to five years	35,194	35,194	35,194	35,194

The borrowings comprise a secured five year bank loan facility of £45 million (2006 £45 million) at a margin of 0.8% over LIBOR, plus a variable margin calculated by the bank, signed on 12 July 2002 and increased on 4 March 2004. The loan is secured by fixed and floating charges over the assets of the group.

After taking into account interest rate swaps entered into by the group, the interest rate profile of the group's bank loans at 31 March 2007 was as follows

	2007		
	Total £'000	Floating rate £'000	Fixed rate £'000
Sterling	35,194	-	35,194

The average fixed rate of interest is 5.7%. The fair value of the interest rate swaps at 31 March 2007 was £479,535 (2006 £-60,200).

The profile at 31 March 2006 for comparison purposes was as follows

	2006		
	Total £'000	Floating rate £'000	Fixed rate £'000
Sterling	35,194	5,275	29,919

The average fixed rate of interest was 5.87% and the average variable rate was 5.81%.

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

18 Provisions for liabilities

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows

	Group £'000	Company £'000
At 1 April 2006	1,960	680
Increase in provisions	119	2
At 31 March 2007	<u>2,079</u>	<u>682</u>

	2007 Provided £'000	Unprovided £'000	2006 Provided £'000	Unprovided £'000
Group				
Accelerated capital allowances	2,079	814	1,960	-
Provision	<u>2,079</u>	<u>814</u>	<u>1,960</u>	<u>-</u>
Company				
Accelerated capital allowances	682	-	680	-
Provision	<u>682</u>	<u>-</u>	<u>680</u>	<u>-</u>

No provision has been made for deferred taxation on revalued assets because the Directors have no intention to dispose of the assets concerned in the foreseeable future

19. Share capital

	2007 £	2006 £
Authorised		
100,000 1p ordinary shares	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
10,000 1p ordinary shares	<u>100</u>	<u>100</u>

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

20 Minority interest preference shares

	2007 £	2006 £
Group		
At 1 April 2006	397	397
Preference shares bought back	(24)	-
	<u>373</u>	<u>397</u>
At 31 March 2007		

The non-equity minority interest relates to cumulative preference shares in Falmouth Yacht Marina Limited. The preference shares are non-voting and entitle the holders to special berthing privileges. The full rights of these shares are disclosed in the accounts of Falmouth Yacht Marina Limited, which may be obtained from the Registrar of Companies.

21. Reserves

	Share premium £'000	Profit and loss £'000
Group		
At 1 April 2006	17,200	1,345
Retained loss for the year	-	(3,149)
	<u>17,200</u>	<u>(1,804)</u>
At 31 March 2007		
	<u>17,200</u>	<u>(1,804)</u>
Company		
At 1 April 2006	17,200	446
Retained loss for the year	-	(141)
	<u>17,200</u>	<u>305</u>
At 31 March 2007		

As permitted by section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £141,000 (2006 profit £823,000).

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

22 Reconciliation of movement in equity shareholders' funds

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Profit on ordinary activities after taxation	3,487	445	914	823
Preferential distribution	-	-	(893)	(893)
Dividends paid/payable	(6,636)	(586)	-	-
Net increase/(decrease) to equity shareholders funds	(3,149)	(141)	21	(70)
Opening equity shareholders' funds	18,545	17,646	18,524	17,716
Closing equity shareholders' funds	15,396	17,505	18,545	17,646

23 Capital commitments

- (i) At 31 March 2007 the Group had contracted capital commitments of £189,000 (2006 £440,000)
(ii) At 31 March 2007 the Company had contracted capital commitments of £34,000 (2006 £124,000)

Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
Group and Company	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	-	40	-	69
In the second to fifth years	-	95	-	12
Over five years	643	-	700	-
	643	135	700	81

The capital commitments for the current and prior year for the group and company have been provided in the accounts

24. Pensions

During the year the Group participated in four defined contribution Group Personal Pension Plans administered by Legal & General Assurance Society, Equitable Life Assurance Society, Scottish Life and Norwich Union. The Group's contributions are charged to the profit and loss account in the year they are incurred. The pension charge cost for the year was £143,000 (2006 £147,000). The balance outstanding as at 31 March 2007 was £12,000 (2006 £nil).

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

25 Reconciliation of operating profit to net cash inflow from operating activities

	2007 £'000	2006 £'000
Operating profit	7,416	4,484
Negative goodwill written back	(287)	(86)
Disposal of negative goodwill related to brand	(306)	-
Depreciation	1,678	1,248
Loss on disposal of fixed assets	104	351
Decrease/(increase) in stocks	1,839	(3,991)
Increase in development work in progress	(408)	(341)
Decrease/(Increase) in property stock	1,294	-
Decrease/(Increase) in debtors	748	(1,486)
(Decrease)/increase in creditors and provisions	82	4,428
Net cash inflow from operating activities	<u>12,160</u>	<u>4,607</u>

26 Analysis of cash flows for headings netted in the cash flow statement

	2007 £'000	2006 £'000
Returns on investment and servicing of finance	12	-
Non-equity dividends paid to minority	3,621	2,458
Interest paid	<u>3,633</u>	<u>2,458</u>
Net cash outflow	<u>3,633</u>	<u>2,458</u>
Taxation		
UK corporation tax paid	37	445
Net cash outflow	<u>37</u>	<u>445</u>
Capital expenditure		
Purchase of tangible assets	1,843	1,537
Net cash outflow	<u>1,843</u>	<u>1,537</u>
Acquisitions and disposals		
Purchase of subsidiary undertaking (note 27)	-	15,355
Disposal of Deck business	-	(334)
Net cash outflow	<u>-</u>	<u>15,021</u>
Financing		
Bank loan	-	-
Loan notes redeemed	-	(850)
Preference share buy-back	(24)	-
Loan received from parent company	-	18,175
Net cash inflow	<u>(24)</u>	<u>17,325</u>

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

27. Acquisition of subsidiary undertaking

On 20 December 2005 the company acquired 100% of the issued share capital of A H Moody & Son Limited (subsequently renamed Premier Marinas (Hamble) Limited) for a consideration satisfied in cash. The fair value of the total consideration was £15,355,000.

The fair value adjustments recorded in the 31 March 2006 financial statements are summarised below:

	Book value £000	Revaluation £000	Other significant items £000	Fair value to group £000
Net assets	8,465	10,444	(479)	18,430
Negative goodwill				(3,075)
				<u>15,355</u>

As permitted by FRS 7, finalisations to the fair value adjustments have been made during the year ended 31 March 2007. These are set out in the table below and result in an increase to the recorded negative goodwill of £158,000. The intangible asset acquired as part of the acquisition was disposed of on 30 March 2007.

	Book value £000	Revaluation £000	Other significant items £000	Fair value to group £000
Fixed Assets				
Tangible	7,556	10,444	(338)	17,662
Intangible	-	-	306	306
Current assets				
Stock	3,882	-	(214)	3,668
Debtors	1,400	-	(75)	1,325
Cash	269	-	-	269
Total assets	<u>13,107</u>	<u>10,444</u>	<u>(321)</u>	<u>23,230</u>
Creditors	(4,052)	-	-	(4,052)
Provisions	(590)	-	-	(590)
Total liabilities	<u>(4,642)</u>	<u>-</u>	<u>-</u>	<u>(4,642)</u>
Net assets	<u>8,465</u>	<u>10,444</u>	<u>(321)</u>	<u>18,588</u>
Negative goodwill				(3,233)
				<u>15,355</u>

Premier Marinas Limited

Notes to the accounts Year ended 31 March 2007

28 Analysis of movement in net debt

	31 March 2006 £'000	Cash flow £'000	31 March 2007 £'000
Cash at bank and in hand (net of overdraft)	1,972	(13)	1,959
Bank loan	(35,194)	-	(35,194)
Loan notes issued	-	-	-
Loan from parent company	(18,175)	-	(18,175)
Net debt	<u>(51,397)</u>	<u>(13)</u>	<u>(51,410)</u>
		2007 £'000	2006 £'000
Increase in cash and net funds in the year		(13)	1,578
Bank loan		-	-
Loan notes redeemed		-	850
Loan from parent company		-	(18,175)
Movements in net debt in the year		-	(15,747)
Net debt at the beginning of the year		<u>(51,397)</u>	<u>(35,650)</u>
Net debt at the end of the year		<u>(51,410)</u>	<u>(51,397)</u>

29 Guarantee by ultimate parent company

On 12 July 2002 Premier Marinas Limited agreed a £30 million Term Loan facility with HSBC Bank plc. On 4 March 2004, the facility level was increased to £45 million. The loan is for a period of five years and is secured by a fixed and floating charge over the assets of the group.

30 Ultimate parent company

The ultimate parent company of Premier Marinas Limited is Premier Marinas Jersey Holdings Limited, a company incorporated in Jersey. The immediate parent company is Premier Marinas Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

31 Related party transactions

The group paid management fees totalling £647,000 to Harlyn Asset Management Limited, a company owned by R J Boissier during the year ended 31 March 2007 (2006: £338,000).

32 Post balance sheet event

On 6 July 2007 the company acquired Sovereign Harbour Marina Limited. Full details of this transaction will be provided in the financial statements for the year ended 31 March 2008.

On 8 October 2007 £1.41 million was paid to Barratt Homes Limited. This represented Premier Marinas (Brighton) Limited's share of the costs of obtaining planning consent for the area known as the "Outer Harbour" at Brighton marina. Payment was triggered by the commencement of development works.