Company No: 6026344

Boat International Media Limited

Annual Report

Period ended 31 December 2007

Contents of the Annual Report

Company Information

Directors	D Joseph A C Harris A J Hartley Sir TDG Arculus F R Davidson
Secretary	D Joseph
Registered office	First Floor 41-47 Hartfield Road Wimbledon London SW19 3RQ United Kingdom
Registered number	6026344
Auditors	Grant Thornton UK LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Lloyds Bank plc 10 Gresham Street London EC2V 7AE Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA

Report of the Directors

The directors present their report and the audited financial statements for the period ending 31 December 2007 incorporating the effect of the acquisition of Boat International Group Limited on 16 December 2006

Principal activities

The principal activities of the group and its subsidiary undertakings are the provision of media and marketing services There have not been any significant changes in the group's principal activities in the year under review and the directors are not aware at the date of this report of any likely major changes in the group's activities in the next year

Post balance sheet event

After the year end the group has acquired a further 10% of the shares of Super Yacht Media Limited, bringing the total shareholding to 80% On 23 June 2008 the group acquired the remaining 20% of the issued Share Capital of Super Yacht Media Ltd bringing the total shareholding to 100%

In addition the business acquired the world's leading superyacht database and acquired full ownership of The Captains' Hideout

Business review and future developments

The company was incorporated on 12 December 2006 and it purchased the entire share capital of Boat International Group Limited on 15 December 2006 for consideration of £3,141,726

The group has achieved a year of strong growth with turnover up by 23% The group invested in its products and management infrastructure during the year resulting in a planned reduction in gross margins from 56% in 2006 to 49% in 2007 thus enhancing its market leading position Significant profit increases in the underlying business are expected in the coming year as new products are introduced and the core is expanded The group shall be investing significantly in its digital future

Although a global business, the UK and European markets remain the key area of operation for the group, accounting for 74% of sales In the coming year, the directors expect to see continued significant growth in revenues from North America

The balance sheet on page 9 of the financial statements shows that the group's financial position is consistent with the growth experienced in the business over the last 12 months

Key performance indicators

Key performance indicator	Target		2007
Turnover growth	12 5%		23%
Gross profit margin	52%		49%
Admin expenses at % of turnover	33%		35%
Staff turnover	10%		6%

Report of the Directors
(Continued)

Principal risks and uncertainties facing the group

The health of the underlying market this business serves is dependent on the number of ultra high net worth individuals in existence and being created globally As its key constituency is relatively well protected from global economic conditions, the business has thus far been protected from volatility

Like all businesses, however, the group is at risk from competitive activity and protects itself from this by ensuring its products are of a high quality and of great relevance to its key constituencies

The main risks arising from the group's financial instruments can be analysed as follows

Financial instruments

The group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk

The group's principal financial instruments comprise sterling and foreign currency cash and bank deposits, bank loans and overdrafts, other shareholder loans

Price risk

The group has no significant exposure to securities price risk, as it holds no listed equity investments

Foreign currency risk

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates As the group both buys and sells goods within Europe and the US the overall risk is not significant The main foreign currencies in which the group operates are the euro and the US dollar

However, the group has sought minimise its foreign exchange risk by entering into a euro hedging plan in the parent company

Credit risk

The group's principal financial assets are bank balances, cash, and trade debtors, which represent the group's maximum exposure to credit risk in relation to financial assets

The group's credit risk is primarily attributable to its trade debtors Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the group's management based on prior experience and their assessment of the current economic environment

The credit risk on liquid funds is limited because no single counterparty amount due is of any material significance The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity risk

The group's policy has been to ensure continuity of funding through arranging funding for operations via medium-term loans and additional revolving credit facilities to aid short-term flexibility in the parent company The Group has strong cash flows that support the servicing of the finance

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a variable rate The interest rate on the bank overdraft is at market rate and the group's policy is to keep the overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows

Report of the Directors
(Continued)

The group's policy is to maintain other borrowings at variable rates with a hedging instrument in order to ensure adverse changes in interest rates do not impact on the business significantly The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on financial performance of the group

Environment

The group's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business During the period covered by this report the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations

Employees

The quality and commitment of our people have played a major role in our business success This has been demonstrated in many ways, including improvements in customer satisfaction, the development of our product lines and the flexibility they have shown in adapting to changing business requirements and new ways of working Employees' performance is aligned to group goals through an annual performance review process that is carried out with all employees Employee turnover remains below the 10% threshold we have set

Dividends

The directors do not recommend the payment of a dividend for the period

Directors

The present directors of the company are set out below

D Joseph
A C Harris
A J Hartley
F R Davidson
Sir TDG Arculus

Directors' interests

The interests as defined by the Companies Act 1985 of the directors in the share capital of the company at incorporation (or date of appointment if later) and end of the period were

	Ordinary shares of £0.01 each	
	2007	**2006**
A C Harris	217,000	217,000
D Joseph	113,000	113,000
Sir TDG Arculus	20,000	-

	Preference shares of £0 01 each	
	2007	**2006**
Sir TDG Arculus	10,000	-

Report of the Directors

(Continued)

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to 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 estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 that 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 1985 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Grant Thornton UK LLP were appointed as first auditors to the company Being eligible a resolution will be proposed for reappointment as auditors in accordance with Section 385 of the Companies Act 1985

Approval

The report of the directors was approved by the Board on 4 July 2008 and signed on its behalf by

D Joseph
Secretary

Report of the Independent Auditor to the Members of Boat International Media Limited

We have audited the group and parent company financial statements (the "financial statements") of Boat International Media Limited for the period ended 31 December 2007 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement and notes 1 to 28 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 auditor's 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 United Kingdom law and 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 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements This other information comprises only the Directors' Report We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

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 group's and 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 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

Report of the Independent Auditor to the Members of Boat International Media 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 parent company's affairs as at 31 December 2007 and of the group's loss for the period 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

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
BIRMINGHAM
4 July 2008

Consolidated Profit and Loss Account

for the period ended 31 December 2007

	Note	2007 £
Turnover		
Total turnover	2	11,983,804
Less share of joint venture		(473,417)
		11,510,387
Cost of sales		(5,818,428)
Gross profit		5,691,959
Distribution costs		(778,376)
Administrative expenses		(4,020,530)
Other operating income		4,254
Group operating profit	3	897,307
Share of joint venture operating profit		105,504
Total operating profit		1,002,811
Interest receivable and similar income	6	84,620
Interest payable and similar charges	7	(1,580,674)
Loss on ordinary activities before taxation		(493,243)
Taxation	8	(357,952)
Loss on ordinary activities after taxation		(851,195)
Equity minority interests		48,375
Retained loss for the period	19	(802,820)

The profit and loss account has been prepared on the basis that all operations are continuing operations

Statement of Total Recognised Gains and Losses

for the period ended 31 December 2007

	2007 £
Retained loss for the period	(802,820)
Exchange difference on foreign equity investments	(3,557)
Total recognised losses	(806,377)

Consolidated Balance Sheet

at 31 December 2007

	Note	2007 £
Fixed assets		
Intangible assets	10	21,874,915
Tangible assets	11	108,118
Investment in joint ventures		
- Share of gross assets		330,189
- Share of gross liabilities		(34,671)
		22,278,551
Current assets		
Stocks	13	661,655
Debtors	14	3,382,877
Cash at bank and in hand		1,526,080
		5,570,612
Creditors. Amounts falling due within one period	15	(3,248,228)
Net current assets		2,322,384
Total assets less current liabilities		24,600,935
Creditors: Amounts falling due after more than one year	16	(24,491,887)
Minority interests - equity		48,375
Net assets		157,423
Called up share capital	18	3,500
Share premium account	19	960,300
Profit and loss account	19	(806,377)
Equity shareholders' funds	20	157,423

The financial statements were approved by the Board on 4 July 2008 and signed on its behalf by

D Joseph
Director

Company Balance Sheet

at 31 December 2007

	Note	2007 £
Fixed assets		
Investments	12	3,086,053
Current assets		
Debtors	14	22,999,377
Cash		-
		22,999,377
Creditors: Amounts falling due within one year	15	(2,220,991)
Net current assets		20,778,386
Total assets less current liabilities		23,864,439
Creditors. Amounts falling due after more than one year	16	(24,491,887)
Net liabilities		(627,448)
Called up share capital	18	3,500
Share premium account		960,300
Profit and loss account		(1,591,248)
Equity shareholders' deficit	20	(627,448)

The financial statements were approved by the Board on 4 July 2008 and signed on its behalf by

D Joseph
Director

Notes to the Financial Statements

31 December 2007

Consolidated Cash Flow Statement

for the period ended 31 December 2007

	Note	2007 £
Operating cash flow	21	(151,355)
Returns on investment and servicing of finance		
Interest received		84,620
Interest paid		(1,339,138)
Net cash flow from returns on investment and servicing off finance		(1,254,518)
Taxation		
Tax paid		(245,198)
Net cash flow from taxation		(245,198)
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(67,972)
Net cash flow from capital expenditure and financial investment		(67,972)
Purchase of subsidiary undertaking		(3,141,726)
Cash acquired with subsidiary undertaking		627,225
Net cash flow from acquisitions and disposals		(2,514,501)
Financing		
Issue of shares		963,800
New loan notes issued		11,693,187
Net movements in long term borrowings		(8,253,001)
Net movements in short term borrowings		1,355,638
Net cash flow from financing		5,759,624
Net cash flow for the year	23	1,526,080

Notes to the Financial Statements

31 December 2007

ACCOUNTING POLICIES

Basis of accounting
The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements

Fundamental accounting concept
The accounts have been prepared on a going concern basis as the directors are satisfied that the company can continue to settle its liabilities as they fall due

Consolidation
The consolidated financial statements include the company and all its subsidiaries being Boat International Group Limited, Boat International Holdings 1 Limited, Boat International Holdings 2 Limited, BIP1 Limited, BIP2 Limited, Boat International Publications Limited, Edisea Limited, Edimer SAS, Edisea USA Inc and Boat International USA Inc and Super Yacht Media Limited accounted for using the acquisition method

Linkfern Limited is a joint venture and has been accounted for using the gross equity method

Intra-group sales and profits have been eliminated on consolidation and all sales and profit figures relate to external transactions only

Turnover
Turnover derives from the group's principal activity It excludes value added tax and trade discounts and represents the value of goods and services provided in respect of the period to which they relate Amounts invoiced prior to the year end in respect of services to be provided in the following year are included in deferred income

Intangible fixed assets
Intangible fixed assets are stated at cost, and are amortised as follows

Goodwill is amortised over 20 years straight line

Other intangible fixed assets includes utilised Intellectual Property Rights which are amortised over 20 years straight line and other assets included within Edimer SAS which are amortised over 3 years straight line

The amortisation period for goodwill has been chosen because it reflects its useful economic life

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the Financial Statements

31 December 2007

1 **ACCOUNTING POLICIES** (Continued)

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation Provision is made for depreciation on all tangible fixed assets, at rates calculated to write off the cost less residual value of each asset over its expected useful life at the following rates

Plant and machinery	-	50% per annum on cost
Fixtures and fittings	-	25% per annum on cost
Motor vehicles	-	25% per annum on cost
Computer equipment	-	25% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Operating leases
Costs in respect of operating leases are charged on a straight-line basis over the lease term

Stocks
Stocks and work in progress are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow-moving items Costs include all direct expenditure

Deferred taxation
Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future Timing differences arise because of differences in the treatment of certain items for accounting and taxation purposes

In accordance with FRS 19 deferred tax is not provided on timing differences arising from

(a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date, and

gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date Deferred tax assets and liabilities are not discounted

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses

Notes to the Financial Statements

31 December 2007

1 ACCOUNTING POLICIES (Continued)

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction

Foreign currency assets and liabilities held at the balance sheet date are re-translated at the exchange rates ruling at the date Any resulting exchange profit or loss is dealt with in the profit and loss account, with the exception of foreign equity investments, where exchange differences are recognised through the statement of total recognised gains and losses

Pension costs

The company operate a defined contribution scheme in respect of its employees The assets of the scheme are held separately from those of the company The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year

2. TURNOVER

Turnover split by geographical market is as follows

	2007 £
United Kingdom	3,107,804
Rest of Europe	5,409,882
USA	2,647,389
Other	345,312
	11,510,387
Joint venture turnover – others	946,834
	12,457,221

3. OPERATING PROFIT

Operating profit is arrived at after charging/(crediting)

	2007 £
Depreciation of tangible fixed assets	76,275
Amortisation of intangible assets	1,335,452
Operating lease charges – land & buildings	86,482
Auditors' remuneration – Group	25,500
Auditors' remuneration – Company	3,000
Auditors' remuneration – Other non audit	12,000

Notes to the Financial Statements

31 December 2007

4 DIRECTORS' EMOLUMENTS

	2007 £
Directors' emoluments	337,332
Pension costs	9,960
	347,292

There were 2 directors accruing benefits under money purchase pension schemes during the year

The emoluments of the highest paid director were £198,615

£5,460 was paid into the pension scheme of the highest paid director during the year

5. STAFF COSTS

Staff costs, excluding costs relating to directors, were as follows

	2007 £
Wages and salaries	3,115,212
Social security costs	304,019
Pension costs	22,427
	3,441,658

The staff of the group worked in the following activities

	2007 No
Editorial	29
Advertising	25
Corporate	9
	63

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £
Bank Interest	84,620

Notes to the Financial Statements

31 December 2007

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £
Bank loans and overdrafts	1,580,674

8 TAXATION

	2007 £
Current taxation	
United Kingdom Corporation tax	296,367
Adjustment in respect of prior year	(11,419)
Overseas taxation	24,346
Total current tax	309,294
Deferred taxation	
Net origination (reversal) of timing differences	(18,252)
Change in rate of deferred tax	5,849
Adjustment in respect of prior year	36,715
Tax on loss on ordinary activities	333,606

The tax assessed for the period differs from the standard rate of tax as follows

	2007 £
Loss on ordinary activities before tax	(493,243)
Loss on ordinary activities at standard rate of tax 30%	(147,973)
Adjustment in respect of prior years	(11,419)
Expenses not deductible for tax purposes	417,423
Accelerated capital allowances	(163)
Short term timing differences	26,721
Losses carried forward	65,288
Deferred tax rate charge	1,428
Group relief not paid for	(796)
Difference in overseas tax rate	(41,215)
	309,294

Notes to the Financial Statements

31 December 2007

8 TAXATION (Continued)

Deferred taxation comprises

	Amounts provided 2007 £
Capital allowances	(40,317)
Other short term timing differences	(41,567)
	(81,884)

Movements in deferred tax were as follows

	£
At incorporation	-
Purchased with subsidiaries	(106,196)
Adjustment to prior year	36,715
Changes in rate of deferred tax	5,849
Current period credit	(18,252)
	(81,884)

9. PENSION COSTS

The pension cost charge for the year amounted to £22,427

The amount of outstanding contributions at the end of the year was £Nil

Notes to the Financial Statements

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10 INTANGIBLE FIXED ASSETS

Group	**Acquired Goodwill** £	**Goodwill on consolidation** £	**Other intangibles** £	**Total** £
Cost				
At incorporation	-	-	-	-
Acquired	15,038,598	-	558,986	15,597,584
Goodwill on acquisition	-	7,612,783	-	7,612,783
At 31 December 2007	15,038,598	7,612,783	558,986	23,210,367
Amortisation				
At incorporation	-	-	-	-
Amortisation for the year	926,431	380,639	28,382	1,335,452
At 31 December 2007	926,431	380,639	28,382	1,335,452
Net book value				
At 31 December 2007	14,112,167	7,232,144	530,604	21,874,915
At incorporation	-	-	-	-

On 15 December 2006 the company acquired the share capital of Boat International Group Limited comprising net assets as follows

	Book value £	**Fair value adjustments** £	**Fair value** £
Goodwill	15,597,583	-	15,597,583
Fixed assets	116,421	-	116,421
Share of JV	221,647	-	221,647
Stock	684,550	-	684,550
Debtors	2,812,586	-	2,812,586
Cash	627,225	-	627,225
Creditors-short term	(3,479,368)	-	(3,479,368)
-long term	(21,051,701)		(21,051,701)
Net liabilities acquired	(4,471,057)	-	(4,471,057)
Goodwill			7,612,783
Cash consideration			(3,141,726)
			-

Notes to the Financial Statements

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11 TANGIBLE ASSETS

Group	Computer equipment £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At incorporation	-	-	-	-	-
Acquired with subsidiaries	-	58,821	45,261	10,839	114,921
Additions	32,467	10,576	24,852	1,577	69,472
At 31 December 2007	32,467	69,397	70,113	12,416	184,393
Depreciation					
At incorporation	-	-	-	-	-
Charge for the year	4,288	35,442	31,869	4,676	76,275
At 31 December 2007	4,288	35,442	31,869	4,676	76,275
Net book value					
At 31 December 2007	28,179	33,955	38,244	7,740	108,118
At incorporation	-	-	-	-	-

12. FIXED ASSET INVESTMENTS

Company	Shares in Group undertakings £
Cost	
At incorporation	-
Additions	3,086,053
At 31 December 2007	3,086,053
Net book value	
At 31 December 2007	3,086,053
At incorporation	-

Notes to the Financial Statements

31 December 2007

12. FIXED ASSET INVESTMENTS (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Principal activity	Class	Shares held %
Boat International Group Limited	England and Wales	Holding company	Ordinary	100

The company indirectly holds more than 20% of the share capital of

Boat International Holdings 1 Limited	England and Wales	Holding company	Ordinary	100
Boat International Holdings 2 Limited	England and Wales	Holding company	Ordinary	100
BIP1 Limited	England and Wales	Holding company	Ordinary	100
BIP2 Limited	England and Wales	Holding company	Ordinary	100
Boat International Publications Limited	England and Wales	Holding company	Ordinary	100
Edisea Limited	England and Wales	Publishing	Ordinary	100
Super Yacht Media Limited	England and Wales	Publishing	Ordinary	70
Edimer SAS	France	Publishing	Ordinary	100
Boat International USA Inc	USA	Publishing	Ordinary	100
Linkfern Limited	Cyprus	Publishing	Ordinary	50
Edisea USA Inc	USA	Publishing	Ordinary	100

Participating interests

The aggregate amount of capital and reserves of the joint ventures for the last financial year was as follows

Company	Capital and reserves £	Profit for the year £
Linkfern Limited	48,090	211,008

Notes to the Financial Statements

31 December 2007

13. STOCKS

Group	2007 £
Finished goods and goods for resale	661,655

The replacement cost of the above stocks would not be significantly different from the values stated

14. DEBTORS

	Group 2007 £	Company 2007 £
Trade debtors	2,758,869	-
Amounts due from group undertakings	-	22,965,399
Other debtors	76,981	18,978
Prepayments and accrued income	465,143	15,000
Deferred tax asset (note 8)	81,884	-
	3,382,877	22,999,377

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2007 £	Company 2007 £
Bank loans and overdrafts	1,355,638	1,235,226
Trade creditors	555,451	-
Amounts owed to group undertakings	-	745,707
Corporation tax	194,638	-
Other taxation and social security	140,685	(6,071)
Other creditors	306,699	4,593
Accruals and deferred income	695,117	241,536
	3,248,228	2,220,991

Notes to the Financial Statements

31 December 2007

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2007 £	Company 2007 £
Loan notes	11,693,187	11,693,187
Bank loans and overdrafts	12,792,500	12,792,500
Preference shares	6,200	6,200
	24,491,887	24,491,887

The company has 620,000 preference shares of £0 01 each These were allotted on 15 December 2006 for £1 each and rank pari pasu with the ordinary shares

17 BORROWINGS

	2007 £
Amounts falling due:	
in one year or less or on demand	735,000
in one to two years	1,890,000
in two to five years	3,902,500
in more than five years	20,061,477
	26,588,977
less issue costs	(1,373,332)
less included in creditors amounts falling due within one year	(729,958)
	24,485,687

Bank loans and overdrafts include £11,000,000 of senior facilities and £3,000,000 of mezzanine facility Interest is charged on the senior facility at a rate of between 1 5% and 2 25% above LIBOR, dependant upon covenant performance The loan is repayable in three instalments per annum commencing 31 March 2007 and concluding on 31 December 2013 and is secured over the assets of the group

The mezzanine facility interest is charged at 10% above LIBOR The loan is repayable in two instalments on 30 June 2015 and 31 December 2015 and is secured over the assets of the group

The loan notes are variable rate unsecured loan stock due in 2016, £12,573,871 of the loan notes are managed by August Equity LLP and the remainder are with directors, £68,977 with Mr A Harris, £45,876 with Mr D Joseph and £206,129 with Sir David Arculus

The borrowings are shown net of £1,373,332 of financing costs which are being amortised over 9 years

Notes to the Financial Statements

31 December 2007

18. SHARE CAPITAL

	2007
	£
Authorised	
380,000 ordinary shares of £0 01 each	3,800
Allotted, called up and fully paid	
350,000 ordinary shares of £0 01 each	3,500

19. RESERVES

Group	Share premium £	Profit and loss account £
At incorporation	-	-
Loss for the period	-	(802,820)
Share premium on shares issued	960,300	-
Differences of foreign currency not investments	-	(3,557)
At 31 December 2007	960,300	(806,377)

20 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group £	Company £
Shareholders' funds at incorporation	-	-
Loss for the financial period	(802,820)	(1,591,248)
Share capital issued	3,500	3,500
Share premium on issue of share capital	960,300	960,300
Other recognised gains and losses	(3,557)	-
Shareholders' funds at 31 December 2007	157,423	(627,448)

Notes to the Financial Statements

31 December 2007

21 RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOW

	2007 £
Operating profit	1,002,811
Depreciation of tangible fixed assets	76,275
Amortisation of intangible fixed assets	1,335,452
(Increase)/decrease in stocks	22,895
(Increase)/decrease in debtors	(488,407)
Increase/(decrease) in creditors	(2,022,953)
Other non-cash items	(3,557)
Joint venture	(73,871)
	(151,355)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £
Increase in cash in the year	1,526,080
Change in debt financing	(25,847,525)
Movement in net debt in the period	(24,321,445)
Net debt at incorporation	-
Net debt at 31 December	(24,321,445)

23 ANALYSIS OF CHANGES IN NET DEBT

	At incorporation £	Cash Flow £	Other Changes £	At 31 December 2007 £
Cash	-	1,526,080	-	1,526,080
	-	1,526,080	-	1,526,080
Short term loans	-	(1,355,638)	-	(1,355,638)
Long term loans	-	(12,798,700)	-	(12,798,700)
Loan notes	-	(11,693,187)	-	(11,693,187)
	-	(24,321,445)	-	(24,321,445)

Notes to the Financial Statements

31 December 2007

24 CONTINGENT LIABILITIES

The bank holds a composite guarantee between BIP1 Limited and BIP2 Limited, Boat International Publications Limited, Edisea Limited, Boat Internatinal Holdings 1 Limited, Boat International Holdings 2 Limited and Boat International Group Limited The total indebtedness covered by the cross guarantee amounts to £14,000,000 The bank also have a fixed and floating charge over all the current and future assets of the company

25 OPERATING LEASE COMMITMENTS

The group's commitments under operating leases for the next year are for leases expiring

			2007
	Land & Buildings	Other leases	Total
	£	£	£
Within 1 year	58,703	-	58,703
Within 2-5 years	31,524	-	31,524
	90,227	-	90,227

26. RELATED PARTY TRANSACTIONS

With the exception of the loan notes disclosed in note 17, there are no transactions requiring disclosure under FRS8 Related Party Transactions

During the year the group was invoiced £108,000 for accountant services by Integral 2 Limited, a company of which David Joseph is a director At the balance sheet date the group owed £11,573 to Integral 2 Limited

27. POST BALANCE SHEET EVENTS

After the year end the group has acquired a further 10% of the shares of Super Yacht Media Limited, bringing the Group's total shareholding to 80% On 23 June 2008 the group acquired the remaining 20% of the issued Share Capital of Super Yacht Media Limiting bringing the total Share Capital to 100%

In addition the business acquired the world's leading superyacht database and acquired full ownership of The Captains' Hideout

On 23 June 2008 30,000 ordinary shares were reclassified to 'B' ordinary shares and 26,250 of these were subsequently issued to employees of the group

28. ULTIMATE CONTROLLING PARTY

The majority of shares in the company are owned by funds managed by August Equity LLP