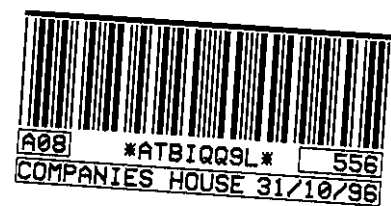


SALTY YACHT (PRODUCTIONS) LIMITED  
COMPANY NUMBER 1448607

ABBREVIATED ACCOUNTS  
FOR THE PERIOD FROM 1 JUNE 1995 TO 31 DECEMBER 1995



SALTY YACHT (PRODUCTIONS) LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 31 DECEMBER 1995

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AUDITORS' REPORT TO THE  
DIRECTORS OF SALTY YACHT (PRODUCTIONS) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Salty Yacht (Productions) Limited prepared under section 226 of the Companies Act 1985 for the period ended 31 December 1995.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the period ended 31 December 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

**Other information**

On 29 October 1996 we reported, as auditors of Salty Yacht (Productions) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31 December 1995, and our audit report was as follows:

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

AUDITORS' REPORT TO THE  
DIRECTORS OF SALTY YACHT (PRODUCTIONS) LIMITED (CONTINUED)

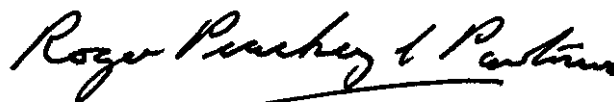
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985

**Basis of opinion (continued)**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Roger Peachey & Partners  
Chartered Accountants  
Registered Auditor  
22 Chepstow Road  
Newport  
South Wales NP9 8EA

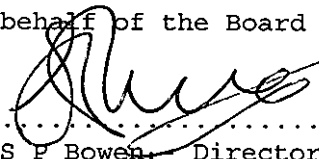
29 October 1996

SALTY YACHT (PRODUCTIONS) LIMITEDABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 1995

|                                                          | Note | <u>31 December 1995</u> |                 | <u>31 May 1995</u> |
|----------------------------------------------------------|------|-------------------------|-----------------|--------------------|
|                                                          |      | £                       | £               | £                  |
| <b>FIXED ASSETS</b>                                      |      |                         |                 |                    |
| Tangible assets                                          | 2    | 119,621                 |                 | 130,642            |
| <b>CURRENT ASSETS</b>                                    |      |                         |                 |                    |
| Stock                                                    |      | 16,672                  |                 | 18,453             |
| Debtors                                                  |      | 88,342                  |                 | 134,250            |
| Cash at bank and in hand                                 |      | 37                      |                 | 27                 |
|                                                          |      | <u>105,051</u>          |                 | <u>152,730</u>     |
| Creditors - amounts falling due within one year          | 3    | <u>211,187</u>          |                 | <u>251,849</u>     |
| <b>NET CURRENT (LIABILITIES)</b>                         |      |                         | (106,136)       | (99,119)           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>             |      |                         | 13,485          | 31,523             |
| Creditors - amounts falling due after more than one year |      |                         | 25,000          | 28,155             |
| Accruals and deferred income                             | 4    |                         | <u>5,585</u>    | <u>5,660</u>       |
|                                                          |      |                         | <u>(17,100)</u> | <u>(2,292)</u>     |
| <b><u>CAPITAL AND RESERVES</u></b>                       |      |                         |                 |                    |
| Called up Share Capital                                  | 5    |                         | 750             | 750                |
| Share Premium Account                                    |      | 7,750                   |                 | 7,750              |
| Revaluation Reserve                                      |      | 76,392                  |                 | 76,392             |
| Profit and Loss Account                                  |      | <u>(101,992)</u>        |                 | <u>(87,184)</u>    |
| <b>Total Reserves</b>                                    |      |                         | <u>(17,850)</u> | <u>(3,042)</u>     |
| <b>Equity Shareholders' Funds</b>                        |      |                         | <u>(17,100)</u> | <u>(2,292)</u>     |

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

On behalf of the Board of Directors

  
S P Bowen Director

25/10/96  
Date

SALTY YACHT (PRODUCTIONS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

a. FORMAT

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of freehold land and buildings, and in accordance with s226 of, and Schedule 4 to, the Companies Act 1985.

The effects of events relating to the period ended 31 December 1995 which occurred before the date of approval of the financial statements by the Board of Directors have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 1995, and of the results for the period ended on that date.

b. TANGIBLE FIXED ASSETS

Depreciation is provided on a reducing balance basis to write off each asset over its estimated useful life:

|                     |       |
|---------------------|-------|
| Freehold Buildings  | - 2%  |
| Plant & Equipment   | - 20% |
| Motor Vehicles      | - 25% |
| Fixtures & Fittings | - 20% |

c. DEFERRED GOVERNMENT GRANTS

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual amounts.

Grants of a revenue nature are credited to income in the year to which they relate.

d. STOCK

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

e. TAXATION

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

f. PENSION COSTS

Pension costs are charged to the profit and loss account on a payments basis and are in respect of defined contributions to a fund managed by a pension company.

SALTY YACHT (PRODUCTIONS) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 31 DECEMBER 19952. TANGIBLE ASSETS

|                        | Motor<br>Vehicles | Plant<br>and<br>Equipment | Fixtures<br>and<br>Fittings | Freehold<br>Land and<br>Buildings | Total    |
|------------------------|-------------------|---------------------------|-----------------------------|-----------------------------------|----------|
| <u>COST/VALUATION</u>  | £                 | £                         | £                           | £                                 | £        |
| At 1 June 1995         | 28,481            | 24,213                    | 12,184                      | 115,394                           | 180,272  |
| Additions              | -                 | 417                       | -                           | -                                 | 417      |
| Disposals              | (12,770)          | -                         | (1,349)                     | -                                 | (14,119) |
| At 31 December 1995    | 15,711            | 24,630                    | 10,835                      | 115,394                           | 166,570  |
| <u>DEPRECIATION</u>    |                   |                           |                             |                                   |          |
| At 1 June 1995         | 17,008            | 18,032                    | 9,162                       | 5,428                             | 49,630   |
| Charge for the period  | 1,736             | 770                       | 354                         | 1,283                             | 4,143    |
| Withdrawn on Disposals | (5,475)           | -                         | (1,349)                     | -                                 | (6,824)  |
| At 31 December 1995    | 13,269            | 18,802                    | 8,167                       | 6,711                             | 46,949   |
| <u>NET BOOK VALUE</u>  |                   |                           |                             |                                   |          |
| At 31 December 1995    | 2,442             | 5,828                     | 2,668                       | 108,683                           | 119,621  |
| At 31 May 1995         | 11,473            | 6,181                     | 3,022                       | 109,966                           | 130,642  |

- 2 Included in net book value of motor vehicles is an amount held under finance agreements of £Nil (31 May 1995 - £8,476).

Depreciation on these assets was £1,181 (31 May 1995 - £2,826).

The historical cost of freehold land and buildings is £38,608. The accumulated depreciation of freehold buildings is £1,172 (31 May 1995 - £879).

3. CREDITORS - amounts falling due within one year

The balance sheet amount of £211,187 includes a bank overdraft of £128,941 (31 May 1995 - £126,569) which is secured by a bank debenture dated 22 December 1988 and by a guarantee of £30,000 provided by H T Maddocks and Son (Whitchurch) Limited.

4. ACCRUALS AND DEFERRED INCOME

| Government Grant               | 31 December 1995 | 31 May 1995 |
|--------------------------------|------------------|-------------|
|                                | £                | £           |
| At the beginning of the period | 5,660            | 5,789       |
| Released                       | 75               | 129         |
| At the end of the period       | 5,585            | 5,660       |

SALTY YACHT (PRODUCTIONS) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 31 DECEMBER 19955. SHARE CAPITAL - Equity

|                                    | <u>31 December 1995</u> | <u>31 May 1995</u> |
|------------------------------------|-------------------------|--------------------|
|                                    | £                       | £                  |
| Ordinary shares of £1 each:        |                         |                    |
| Authorised                         | 1,000                   | 1,000              |
| Allotted, called-up and fully paid | <u>750</u>              | <u>750</u>         |