

Company Registration No. 2110321 (England and Wales)

TOPS'L SAILCRUISE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001



TOPS'L SAILCRUISE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

TOPS'L SAILCRUISE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

The directors present their report and financial statements for the year ended 31 August 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of hiring sailing boats.

Results and dividends

The results for the year are set out on page 4.

During the year 5,500 shares were issued at a premium of 60 pence per share, and 3,970 shares were redeemed.

Directors

The following directors have held office since 1 September 2000:

HA Brunt	
KA Brunt	(Resigned 30 April 2001)
RF Parker	
PE Parker	
I D'arcy-Bean	(Resigned 30 April 2001)
D Smith	
A Perry	
DJ White	(Appointed 1 May 2001)
RG Baylis	(Appointed 1 May 2001)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Voting A shares of £ 1 each	
	31 August 2001	1 September 2000
HA Brunt	1,275	1,275
RF Parker	1,275	1,275
PE Parker	1,275	1,275
D Smith	1,275	1,275
A Perry	1,275	1,275
DJ White	-	-
RG Baylis	-	-

	Non-voting B shares of £ 1 each	
	31 August 2001	1 September 2000
HA Brunt	4,725	4,725
RF Parker	6,243	6,243
PE Parker	5,725	5,725
D Smith	4,442	4,442
A Perry	4,725	4,725
DJ White	1,500	1,500
RG Baylis	3,972	3,972

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Quest Duthoit Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

TOPS'L SAILCRUISE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

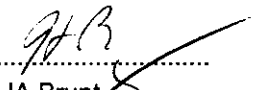
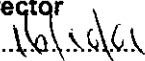
Directors' responsibilities

Company law requires the directors to prepare 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. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 and to 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.

On behalf of the board


.....
HA Brunt
Director
.....

TOPS'L SAILCRUISE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF TOPS'L SAILCRUISE LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

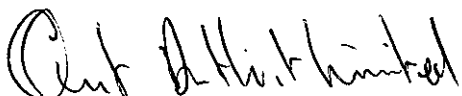
Basis of opinion

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.

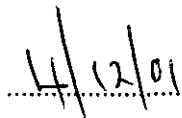
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 August 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Quest Duthoit Limited

Chartered Accountants
Registered Auditor



19 Farncombe Road
Worthing
West Sussex
BN11 2AY

TOPS'L SAILCRUISE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Turnover	2	51,351	55,054
Cost of sales		(49,096)	(28,891)
Gross profit		<u>2,255</u>	<u>26,163</u>
Administrative expenses		(15,222)	(15,022)
Operating (loss)/profit	3	(12,967)	11,141
Other interest receivable and similar income		3,956	3,063
(Loss)/profit on ordinary activities before taxation		(9,011)	14,204
Tax on (loss)/profit on ordinary activities	4	(353)	(399)
(Loss)/profit on ordinary activities after taxation	11	<u>(9,364)</u>	<u>13,805</u>

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

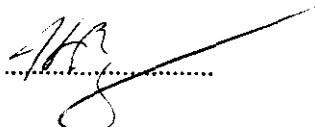
There are no recognised gains and losses other than those passing through the profit and loss account.

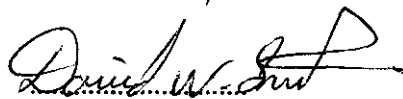
TOPS'L SAILCRUISE LIMITED

BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		158,087		170,373
Current assets					
Debtors	6	1,354		1,469	
Cash at bank and in hand		83,448		77,950	
		84,802		79,419	
Creditors: amounts falling due within one year	7	(3,560)		(3,547)	
Net current assets			81,242		75,872
Total assets less current liabilities			239,329		246,245
Capital and reserves					
Called up share capital	8		160,952		159,422
Share premium account	9		50,102		46,802
Profit and loss account			28,275		40,021
Shareholders' funds - equity interests	10		239,329		246,245

The financial statements were approved by the Board on 16/10/01.


Director


Director

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services. The company is not registered for VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	25% per annum on reducing balance
Yachts and boats	5% per annum on cost

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit	2001	2000
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	12,286	12,454
Auditors' remuneration	1,716	1,657
4 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 10% (2000 - 20%)	353	399

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

5 Tangible fixed assets

	Plant and equipment £	Yachts and boats £	Total £
Cost			
At 1 September 2000 & at 31 August 2001	11,400	235,623	247,023
Depreciation			
At 1 September 2000	9,386	67,264	76,650
Charge for the year	504	11,782	12,286
At 31 August 2001	9,890	79,046	88,936
Net book value			
At 31 August 2001	1,510	156,577	158,087
At 31 August 2000	2,014	168,359	170,373

6 Debtors

	2001 £	2000 £
Prepayments and accrued income	1,354	1,469

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	353	399
Directors' current accounts	2,901	2,901
Accruals and deferred income	306	247
	3,560	3,547

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

8	Share capital	2001 £	2000 £
	Authorised		
	50,000 Voting A shares of £ 1 each	50,000	50,000
	200,000 Non-voting B shares of £ 1 each	200,000	200,000
		<u>250,000</u>	<u>250,000</u>
	Allotted, called up and fully paid		
	10,200 Voting A shares of £ 1 each	10,200	10,200
	150,752 Non-voting B shares of £ 1 each	150,752	149,222
		<u>160,952</u>	<u>159,422</u>

During the year 5,500 shares were issued at a premium of 60 pence per share, and 3,970 shares were redeemed.

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2000	46,802	40,021
Retained loss for the year	-	(9,364)
Nominal value of excess of shares redeemed over shares issued	-	-
Premium on shares redeemed during the year	-	(2,382)
Premium on shares issued during the year	3,300	-
Balance at 31 August 2001	<u>50,102</u>	<u>28,275</u>

10 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
(Loss)/Profit for the financial year	(9,364)	13,805
New share capital subscribed	8,800	6,965
Share capital redeemed	(6,352)	(8,407)
Net (depletion in)/addition to shareholders' funds	<u>(6,916)</u>	<u>12,363</u>
Opening shareholders' funds	246,245	233,882
Closing shareholders' funds	<u>239,329</u>	<u>246,245</u>

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

11 Share redemption

The 150,752 non-voting B shares of £1 each are redeemable at the shareholders option providing that the redemption can be made from company profits in excess of 5% of the company's net assets. The premium will depend upon the value of shares at the date of redemption.

The shares may be redeemed in the following years:

2002	46,921
2003	4,232
2004	12,456
2005	5,800
2006	3,938
2007	49,838
2008	15,067
2009	2,500
2010	4,500
2011	5,500
	150,752