

Company Registration No. 2110321 (England and Wales)

TOPS'L SAILCRUISE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002



TOPS'L SAILCRUISE LIMITED

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TOPS'L SAILCRUISE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2002

The directors present their report and financial statements for the year ended 31 August 2002.

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 1,200 shares were issued at a premium of 154 pence per share, and 1,000 shares were redeemed.

Directors

The following directors have held office since 1 September 2001:

HA Brunt
RF Parker
PE Parker
D Smith
A Perry
DJ White
RG Baylis

Directors' interests

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

	Voting A shares of £ 1 each	
	31 August 2002	1 September 2001
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 2002	1 September 2001
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 2002

Directors' responsibilities

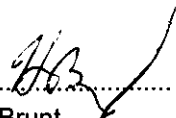
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

.....  21/10/02

HA Brunt
Director

.....

TOPS'L SAILCRUISE LIMITED

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

We have audited the financial statements of TOPS'L SAILCRUISE LIMITED on pages 4 to 9 for the year ended 31 August 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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.

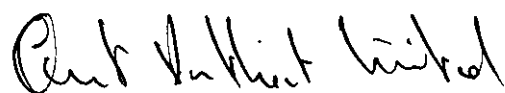
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

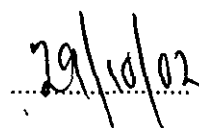
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2002 and of its profit 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 2002

	Notes	2002 £	2001 £
Turnover	2	50,364	51,351
Cost of sales		(36,695)	(49,096)
Gross profit		13,669	2,255
Administrative expenses		(6,342)	(15,222)
Operating profit/(loss)	3	7,327	(12,967)
Other interest receivable and similar income		3,158	3,956
Profit/(loss) on ordinary activities before taxation		10,485	(9,011)
Tax on profit/(loss) on ordinary activities	4	(145)	(353)
Profit/(loss) on ordinary activities after taxation	10	10,340	(9,364)

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

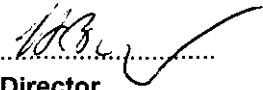
There are no recognised gains and losses other than those passing through the profit and loss account.

TOPS'L SAILCRUISE LIMITED

BALANCE SHEET AS AT 31 AUGUST 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		164,427		158,087
Current assets					
Debtors	6	1,164		1,354	
Cash at bank and in hand		87,796		83,448	
		<u>88,960</u>		<u>84,802</u>	
Creditors: amounts falling due within one year	7	<u>(3,410)</u>		<u>(3,560)</u>	
Net current assets			85,550		81,242
Total assets less current liabilities			<u>249,977</u>		<u>239,329</u>
Capital and reserves					
Called up share capital	8		161,152		160,952
Share premium account	9		50,750		50,102
Profit and loss account			38,075		28,275
Shareholders' funds - equity interests	10		<u>249,977</u>		<u>239,329</u>

The financial statements were approved by the Board on 21/10/02


Director


Director

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

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 profit/(loss)	2002 £	2001 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	12,210	12,286
	Auditors' remuneration	1,774	1,716
	and after crediting:		
	Profit on disposal of tangible assets	(9,260)	-
4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	145	353
	Current tax charge	145	353

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

5 Tangible fixed assets

	Plant and equipment £	Yachts and boats £	Total £
Cost			
At 1 September 2001	11,400	235,623	247,023
Additions	-	46,000	46,000
Disposals	-	(45,000)	(45,000)
At 31 August 2002	11,400	236,623	248,023
Depreciation			
At 1 September 2001	9,890	79,046	88,936
On disposals	-	(17,550)	(17,550)
Charge for the year	378	11,832	12,210
At 31 August 2002	10,268	73,328	83,596
Net book value			
At 31 August 2002	1,132	163,295	164,427
At 31 August 2001	1,510	156,577	158,087

6 Debtors

	2002 £	2001 £
Prepayments and accrued income	1,164	1,354

7 Creditors: amounts falling due within one year

	2002 £	2001 £
Corporation tax	145	353
Directors' current accounts	2,901	2,901
Accruals and deferred income	364	306
	3,410	3,560

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

8	Share capital	2002 £	2001 £
	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
	150,952 Non-voting B shares of £ 1 each	150,952	150,752
		<u>161,152</u>	<u>160,952</u>

During the year 1,200 shares were issued at a premium of 154 pence per share, and 1,000 shares were redeemed.

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2001	50,102	28,275
Retained profit for the year	-	10,340
Nominal value of excess of shares redeemed over shares issued	-	-
Premium on shares redeemed during the year	-	(540)
Premium on shares issued during the year	648	-
	<u>50,750</u>	<u>38,075</u>
Balance at 31 August 2002		

10	Reconciliation of movements in shareholders' funds	2002 £	2001 £
	Profit/(Loss) for the financial year	10,340	(9,364)
	New share capital subscribed	1,848	8,800
	Share capital redeemed	(1,540)	(6,352)
		<u>10,648</u>	<u>(6,916)</u>
	Net addition to/(depletion in) shareholders' funds	239,329	246,245
	Opening shareholders' funds		
		<u>249,977</u>	<u>239,329</u>
	Closing shareholders' funds		

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

11 Share redemption

The 150,952 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:

2003	50,153
2004	12,456
2005	5,800
2006	3,938
2007	49,838
2008	15,067
2009	2,500
2010	4,500
2011	5,500
2012	1,200
	150,952