

TOPS'L SAILCRUISE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2003



TOPS'L SAILCRUISE LIMITED

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TOPS'L SAILCRUISE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the period ended 31 December 2003.

Principal activities and review of the business

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

The company is a non profit making organisation.

Results and dividends

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

During the year 6,849 shares were issued at 158 pence per share, and 9,471 shares were redeemed.

Directors

The following directors have held office since 1 September 2002:

HA Brunt	
RF Parker	
PE Parker	
D Smith	(Resigned 13 March 2003)
A Perry	(Resigned 21 October 2002)
R C S Tomison	(Appointed 13 March 2003)
DJ White	
A G Smith	(Appointed 1 January 2003)
RG Baylis	

Directors' interests

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

	Voting A shares of £ 1 each	
	31 December 2003	1 September 2002
HA Brunt	1,275	1,275
RF Parker	1,275	1,275
PE Parker	1,275	1,275
R C S Tomison	-	-
DJ White	-	-
A G Smith	-	-
RG Baylis	-	-

	Voting B shares of £ 1 each	
	31 December 2003	1 September 2002
HA Brunt	4,725	4,725
RF Parker	6,243	6,243
PE Parker	5,725	5,725
R C S Tomison	500	500
DJ White	1,500	1,500
A G Smith	1,889	1,889
RG Baylis	3,972	3,972

TOPS'L SAILCRUISE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

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.

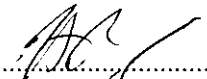
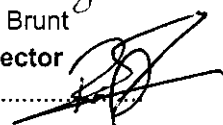
Directors' responsibilities

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

.....
R.F. PARKER

8/3/04

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 period ended 31 December 2003. These financial statements have been prepared under the historical cost convention and 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 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.

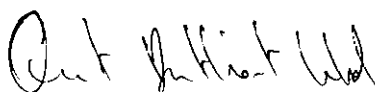
Basis of audit opinion

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.

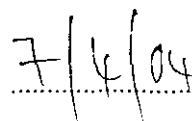
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the period 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 PERIOD ENDED 31 DECEMBER 2003

		Period ended 31 December 2003 £	Year ended 31 August 2002 £
	Notes		
Turnover	2	90,589	50,364
Cost of sales		(34,678)	(36,695)
Gross profit		55,911	13,669
Administrative expenses		14,674	(6,342)
Operating profit	3	70,585	7,327
Other interest receivable and similar income		2,779	3,158
Profit on ordinary activities before taxation		73,364	10,485
Tax on profit on ordinary activities	4	-	(145)
Profit on ordinary activities after taxation	10	73,364	10,340

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 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		223,476		164,427
Current assets					
Debtors	6	2,061		1,164	
Cash at bank and in hand		96,738		87,796	
		<u>98,799</u>		<u>88,960</u>	
Creditors: amounts falling due within one year	7	(3,078)		(3,410)	
Net current assets			<u>95,721</u>		<u>85,550</u>
Total assets less current liabilities			<u>319,197</u>		<u>249,977</u>
Capital and reserves					
Called up share capital	8		158,530		161,152
Share premium account	9		54,722		50,750
Profit and loss account	9		105,945		38,075
Shareholders' funds - equity interests	10		<u>319,197</u>		<u>249,977</u>

The financial statements were approved by the Board on 8/3/04.

Director

Director

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

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 in accordance with FRS 19.

2 Turnover

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

3	Operating profit	2003 £	2002 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	18,822	12,210
	Auditors' remuneration	2,057	1,774
	and after crediting:		
	Profit on disposal of tangible assets	(36,421)	(9,260)
4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	145
	Current tax charge	-	145

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

5 Tangible fixed assets

	Plant and equipment £	Yachts and boats £	Total £
Cost			
At 1 September 2002	11,400	236,623	248,023
Additions	-	100,429	100,429
Disposals	-	(60,406)	(60,406)
At 31 December 2003	11,400	276,646	288,046
Depreciation			
At 1 September 2002	10,268	73,328	83,596
On disposals	-	(37,848)	(37,848)
Charge for the period	377	18,445	18,822
At 31 December 2003	10,645	53,925	64,570
Net book value			
At 31 December 2003	755	222,721	223,476
At 31 August 2002	1,132	163,295	164,427

6 Debtors

	2003 £	2002 £
Prepayments and accrued income	2,061	1,164

7 Creditors: amounts falling due within one year

	2003 £	2002 £
Corporation tax	-	145
Directors' current accounts	2,901	2,901
Accruals and deferred income	177	364
	3,078	3,410

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

8	Share capital	2003 £	2002 £
	Authorised		
	50,000 Voting A shares of £1 each	50,000	50,000
	500,000 Voting B shares of £1 each	500,000	200,000
		<u>550,000</u>	<u>250,000</u>
	Allotted, called up and fully paid		
	10,200 Voting A shares of £1 each	10,200	10,200
	148,330 Voting B shares of £1 each	148,330	150,952
		<u>158,530</u>	<u>161,152</u>

During the year 6,849 shares were issued at 158 pence per share, and 9,471 shares were redeemed.

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2002	50,750	38,075
Retained profit for the period	-	73,364
Nominal value of excess of shares redeemed over shares issued	-	-
Premium on shares redeemed during the year	-	(5,494)
Premium on shares issued during the period	3,972	-
Balance at 31 December 2003	<u>54,722</u>	<u>105,945</u>

10	Reconciliation of movements in shareholders' funds	2003 £	2002 £
	Profit for the financial period	73,364	10,340
	New share capital subscribed	10,821	1,848
	Share capital redeemed	(14,965)	(1,540)
	Net addition to shareholders' funds	<u>69,220</u>	<u>10,648</u>
	Opening shareholders' funds	249,977	239,329
	Closing shareholders' funds	<u>319,197</u>	<u>249,977</u>

TOPS'L SAILCRUISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

11 Share redemption

The shares may be redeemed in the following years:

2004	53,138
2005	5,800
2006	3,938
2007	49,838
2008	15,067
2009	2,500
2010	4,500
2011	5,500
2012	1,200
2013	6,849
	148,330