Company Registration No. 3510621 (England and Wales)

BLUEBIRD BOATS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001



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BLUEBIRD BOATS LIMITED

COMPANY INFORMATION

Director	P.D. Scott
Secretary	V.L. Scott
Company number	3510621
Registered office	29/30 Fitzroy Square London W1T 6LQ
Accountants	Goodman Jones 29/30 Fitzroy Square London W1T 6LQ
Business address	The Boat House, Serpentine Road London W2 2UH
Bankers	Barclays Bank plc 8/9 Hanover Square London W1A 4ZW

BLUEBIRD BOATS LIMITED

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BLUEBIRD BOATS LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MAY 2001

The director presents his report and financial statements for the year ended 31 May 2001.

Principal activities and review of the business
The company's principal activity is hire of leisure craft.

The director is satisifed with the financial position at the period end. The business has been badly affected by the weather.

Results and dividends
The results for the year are set out on page 2.

Director
The following director has held office since 1 June 2000:

P.D. Scott

Director's interests
The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 May 2001	**1 June 2000**
P.D. Scott	2	2

On behalf of the board

P.D. Scott
Director
Date: 14 October 2002

BLUEBIRD BOATS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2001

	Notes	2001 £	2000 £
Turnover	2	182,012	204,923
Cost of sales		(91,995)	(55,549)
Gross profit		90,017	149,374
Administrative expenses		(142,342)	(146,234)
Other operating income		54,103	-
Operating profit	3	1,778	3,140
Other interest receivable and similar income		180	68
Interest payable and similar charges	4	(4,556)	(6,609)
Loss on ordinary activities before taxation		(2,598)	(3,401)
Tax on loss on ordinary activities	5	(2,765)	-
Loss on ordinary activities after taxation	10	(5,363)	(3,401)

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.

BLUEBIRD BOATS LIMITED

BALANCE SHEET
AS AT 31 MAY 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	6		112,491		145,504
Current assets					
Cash at bank and in hand		23,439		76	
Creditors: amounts falling due within one year	7	(122,627)		(122,539)	
Net current liabilities			(99,188)		(122,463)
Total assets less current liabilities			13,303		23,041
Creditors: amounts falling due after more than one year	8		-		(4,375)
			13,303		18,666
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		13,301		18,664
Shareholders' funds - equity interests	11		13,303		18,666

In preparing these financial statements:

(a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The director acknowledges his responsibilities for:

(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 14 October 2002

P.D. Scott
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 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 net of VAT and trade discounts.

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:

Land and buildings Leasehold	Over life of lease
Plant and machinery	Straight line over 6 years
Fixtures, fittings & equipment	5% Reducing balance
Motor vehicles	5% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 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 director, 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

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	35,468	34,055

4 Interest payable

	2001	2000
	£	£
On bank loans and overdrafts	4,423	5,381
Hire purchase interest	133	1,228
	4,556	6,609

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

5 Taxation	2001 £	2000 £
Domestic current year tax		
U.K. corporation tax	2,765	-
Current tax charge	2,765	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(2,598)	(3,401)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2000 : 20.00%)	(520)	(680)
Effects of:		
Other tax adjustments	3,285	680
	3,285	680
Current tax charge	2,765	-

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

6 **Tangible fixed assets**

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2000	50,300	129,244	2,854	31,282	213,680
Additions	-	-	2,455	-	2,455
At 31 May 2001	50,300	129,244	5,309	31,282	216,135
Depreciation					
At 1 June 2000	16,766	37,010	714	13,686	68,176
Charge for the year	8,383	21,540	1,146	4,399	35,468
At 31 May 2001	25,149	58,550	1,860	18,085	103,644
Net book value					
At 31 May 2001	25,151	70,694	3,449	13,197	112,491
At 31 May 2000	33,534	92,234	2,140	17,596	145,504

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 May 2001	13,197
At 31 May 2000	17,596
Depreciation charge for the year	
31 May 2001	4,399
31 May 2000	5,865

7 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	22,870	74,358
Net obligations under hire purchase contracts	4,374	4,441
Trade creditors	2,293	12,612
Corporation tax	2,765	-
Other taxes and social security costs	17,488	17,353
Director's current accounts	60,528	2,405
Other creditors	-	(1,058)
Accruals and deferred income	12,309	12,428
	122,627	122,539

The bank overdraft is secured by a fixed and floating debenture over the assets of the company and by personal guarantees given the Mr & Mrs PD Scott.

8 Creditors: amounts falling due after more than one year	2001 £	2000 £
Net obligations under hire purchase contracts	-	4,375
Net obligations under hire purchase contracts		
Repayable within one year	4,374	4,816
Repayable between one and five years	-	4,000
	4,374	8,816
Included in liabilities falling due within one year	(4,374)	(4,441)
	-	4,375

9 Share capital	2001 £	2000 £
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	2	2

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

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2000	18,664
Retained loss for the year	(5,363)
Balance at 31 May 2001	13,301

11 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Loss for the financial year	(5,363)	(3,401)
Proceeds from issue of shares	-	2
Net depletion in shareholders' funds	(5,363)	(3,399)
Opening shareholders' funds	18,666	22,065
Closing shareholders' funds	13,303	18,666

12 Director's emoluments

	2001 £	2000 £
Emoluments for qualifying services	4,000	-

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

13 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Boat Crew	2	3
Administration	1	1
	3	4

Employment costs

	£	£
Wages and salaries	36,926	48,651
Social security costs	3,918	3,004
	40,844	51,655

14 Control

The Company is under the control of the Director, P D Scott.

15 Related party transactions

During the year, the director made loans to the company to provide additional working capital. At the year end the director was owed £60,528. The loan is interest free and repayable on demand.