

BLUEBIRD BOATS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002



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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
Auditors	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 2002

The director presents his report and financial statements for the year ended 31 May 2002.

Principal activities and review of the business

The company's principal activity is hire of leisure craft.

The director is satisfied 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 3.

Director

The following director has held office since 1 June 2001:

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 2002	1 June 2001
P.D. Scott	2	2

Auditors

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

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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


.....

Date: 18 March 2004

BLUEBIRD BOATS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLUEBIRD BOATS LIMITED

We have audited the financial statements of Bluebird Boats Limited on pages 3 to 9 for the year ended 31 May 2002. 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 director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

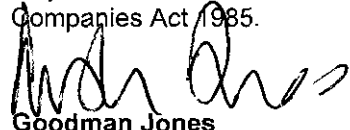
Basis of audit opinion

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 director 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 May 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Goodman Jones
Chartered Accountants
Registered Auditor

22 March 2004
29/30 Fitzroy Square
London
W1T 6LQ

BLUEBIRD BOATS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2002

	Notes	2002 £	2001 £
Turnover	2	240,017	182,012
Cost of sales		(146,126)	(91,995)
Gross profit		93,891	90,017
Administrative expenses		(118,633)	(142,342)
Other operating income		-	54,103
Operating (loss)/profit	3	(24,742)	1,778
Other interest receivable and similar income		302	180
Interest payable and similar charges	4	(3,161)	(4,556)
Loss on ordinary activities before taxation		(27,601)	(2,598)
Tax on loss on ordinary activities	5	-	(2,765)
Loss on ordinary activities after taxation	9	(27,601)	(5,363)

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

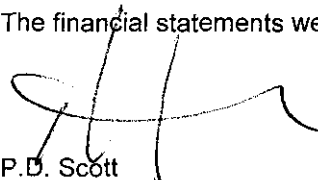
There are no recognised gains and losses other than those passing through the profit and loss account.

BLUEBIRD BOATS LIMITED

BALANCE SHEET AS AT 31 MAY 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6		94,435		112,491
Current assets					
Cash at bank and in hand		1,286		23,439	
Creditors: amounts falling due within one year	7	(110,019)		(122,627)	
Net current liabilities			(108,733)		(99,188)
Total assets less current liabilities			(14,298)		13,303
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		(14,300)		13,301
Shareholders' funds - equity interests	10		(14,298)		13,303

The financial statements were approved by the Board on 19 March 2004


P.D. Scott
Director

BLUEBIRD BOATS LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost 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	25% Reducing balance
Motor vehicles	25% 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

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future. The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no liability would have been recognised as the conditions for recognition would not have been satisfied.

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	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	39,429	35,468
and after crediting:		
Profit on disposal of tangible assets	(2,253)	-

BLUEBIRD BOATS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

4	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	1,440	4,423
	Hire purchase interest	1,721	133
		<u>3,161</u>	<u>4,556</u>
5	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	2,765
	Current tax charge	<u>-</u>	<u>2,765</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(27,601)</u>	<u>(2,598)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2001 : 20.00 %)	<u>(5,244)</u>	<u>(520)</u>
	Effects of:		
	Non deductible expenses	2,139	1,146
	Depreciation	5,470	7,094
	Capital allowances	(3,075)	(3,719)
	Tax losses utilised	-	(217)
	Other tax adjustments	710	(1,019)
		<u>5,244</u>	<u>3,285</u>
	Current tax charge	<u>-</u>	<u>2,765</u>

The company has estimated losses of £ 3,738 (2001 : £ nil) available for carry forward against future trading profits.

BLUEBIRD BOATS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2001	50,300	129,244	5,309	31,282	216,135
Additions	-	-	374	34,196	34,570
Disposals	-	-	-	(31,282)	(31,282)
At 31 May 2002	50,300	129,244	5,683	34,196	219,423
Depreciation					
At 1 June 2001	25,149	58,550	1,860	18,085	103,644
On disposals	-	-	-	(18,085)	(18,085)
Charge for the year	8,383	21,541	956	8,549	39,429
At 31 May 2002	33,532	80,091	2,816	8,549	124,988
Net book value					
At 31 May 2002	16,768	49,153	2,867	25,647	94,435
At 31 May 2001	25,151	70,694	3,449	13,197	112,491

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

	Motor vehicles £
Net book values	
At 31 May 2002	31,951
At 31 May 2001	13,197
Depreciation charge for the year	
31 May 2002	8,549
31 May 2001	4,399

BLUEBIRD BOATS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank loans and overdrafts	-	22,870
	Net obligations under hire purchase contracts	13,017	4,374
	Trade creditors	4,204	2,293
	Corporation tax	2,765	2,765
	Other taxes and social security costs	20,878	17,488
	Director's current accounts	56,913	60,528
	Accruals and deferred income	12,242	12,309
		<u>110,019</u>	<u>122,627</u>
	Net obligations under hire purchase contracts		
	Repayable within one year	13,017	4,374
	Finance charges and interest allocated to future accounting periods	-	-
		<u>13,017</u>	<u>4,374</u>
8	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 June 2001		13,301
	Retained loss for the year		<u>(27,601)</u>
	Balance at 31 May 2002		<u>(14,300)</u>

BLUEBIRD BOATS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

10 Reconciliation of movements in shareholders' funds	2002 £	2001 £
Loss for the financial year	(27,601)	(5,363)
Opening shareholders' funds	13,303	18,666
Closing shareholders' funds	(14,298)	13,303

11 Director's emoluments	2002 £	2001 £
Emoluments for qualifying services	-	4,000

12 Employees

Number of employees

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

	2002 Number	2001 Number
Boat Crew	2	2
Administration	1	1
	3	3

Employment costs

	£	£
Wages and salaries	40,908	36,926
Social security costs	3,517	3,918
	44,425	40,844

13 Control

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

14 Related party transactions

During the year, the director made further loans to the company to provide additional working capital. He also withdrew funds from the company in respect of personal expenditure. At the year end the director was owed £56,913 (2001 £60,528). The loan is interest free and repayable on demand.