

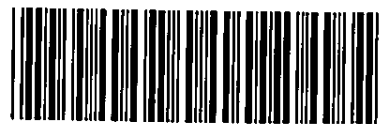
Bainbridge International Limited

Directors' Report and Abbreviated Accounts

for the Year Ended 31 December 2007

Registration number 2354253

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Bainbridge International Limited

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Bainbridge International Limited
Officers and Advisers

Directors	J V O'Connor M Cuscia (appointed 3 December 2007)
Secretary	A Read (appointed 6 August 2008)
Registered office	Unit 8 Flanders Industrial Park Flanders Road Hedge End Southampton Hampshire SO30 2FZ
Auditors	RSM Bentley Jennison Chartered Accountants & Registered Auditors Chapel House Westmead Drive Westlea Swindon SN5 7UN

Bainbridge International Limited
Directors' Report for the Year Ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity

The principal activity of the company is the manufacture and marketing of boat fittings and distribution of sailcloth

Business review

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continual growth in the foreseeable future

Results and dividend

The results for the company are set out in the financial statements

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the year were as follows

- J V O'Connor
- M Cuscia (appointed 3 December 2007)

Auditors

During the year the auditors, Tenon Audit Limited, resigned and RSM Bentley Jennison were appointed. RSM Bentley Jennison are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985

Bainbridge International Limited
Directors' Report for the Year Ended 31 December 2007

continued

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A Read', with a horizontal line extending to the right.

A Read
Company Secretary

Date *28 October 2008*

**Independent Auditors' Report to
Bainbridge International Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Bainbridge International Limited, set out on pages 5 to 16, together with the financial statements of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

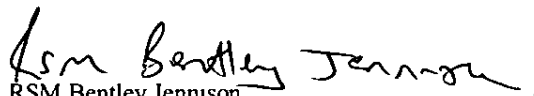
The directors are responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.


RSM Bentley Jennison
Chartered Accountants & Registered Auditors

Date 30/10/08

Chapel House
Westmead Drive
Westlea
Swindon
SN5 7UN

Bainbridge International Limited
Abbreviated Profit and Loss Account for the Year Ended 31 December 2007

	Note	2007 £	2006 £
Gross profit		2,246,731	2,252,313
Administrative expenses		(1,925,869)	(2,038,531)
Operating profit	3	320,862	213,782
Other interest receivable and similar income		19,231	2,087
Interest payable and similar charges	6	(138,439)	(128,000)
Profit on ordinary activities before taxation		201,654	87,869
Tax on profit on ordinary activities	7	(16,530)	(16,394)
Profit for the financial year	18	185,124	71,475

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Bainbridge International Limited
Abbreviated Balance Sheet as at 31 December 2007

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Intangible assets	8		3,060		3,687
Tangible assets	9		203,463		218,493
Investments	10		50,000		50,000
			<u>256,523</u>		<u>272,180</u>
Current assets					
Stocks	11	2,464,769		2,918,142	
Debtors	12	2,813,791		1,850,758	
Cash at bank and in hand		20,974		114,701	
		<u>5,299,534</u>		<u>4,883,601</u>	
Creditors: Amounts falling due within one year	13	<u>(3,044,048)</u>		<u>(2,840,608)</u>	
Net current assets			<u>2,255,486</u>		<u>2,042,993</u>
Total assets less current liabilities			2,512,009		2,315,173
Provisions for liabilities	16		<u>(16,821)</u>		<u>(5,109)</u>
Net assets			<u><u>2,495,188</u></u>		<u><u>2,310,064</u></u>
Capital and reserves					
Called up share capital	17		1,850,300		1,850,300
Profit and loss account	18		644,888		459,764
Equity shareholders' funds	19		<u><u>2,495,188</u></u>		<u><u>2,310,064</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board on ^{28.10.08} and signed on its behalf by



J V O'Connor
 Director

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary, where 90 per cent or more of the voting rights are controlled within the group and the parent company has prepared publicly available consolidated financial statements which include a consolidated cash flow statement incorporating the company's cash flows

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Patents	10% straight line
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Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	10% straight line
Fixtures and fittings	10% straight line
Motor Vehicles	33% straight line
Office equipment	20% - 25% straight line

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Consolidation

The company is a wholly owned subsidiary of another company incorporated outside the EEA and in accordance with section 228A of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts

2 Other operating income

	2007	2006
	£	£
Rent receivable	6,868	13,200
Other income	14,364	13,416
	<u>21,232</u>	<u>26,616</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Hire of other assets (Operating leases)	203,349	202,904
The audit of the company's annual accounts	7,500	7,200
Foreign currency (gains)/losses	(11,662)	4,987
Profit on sale of tangible fixed assets	(630)	-
Depreciation of owned tangible fixed assets	63,130	67,950
Amortisation of development costs	627	608
	<u>202,314</u>	<u>283,649</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2007 No.	2006 No.
Manufacturing, sales and distribution	35	33
Office and management	6	6
	41	39

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	1,034,033	960,958
Social security	92,950	96,249
Other pension costs	11,516	11,482
	1,138,499	1,068,689

5 Directors' emoluments

The directors' emoluments for the year are as follows

	2007 £	2006 £
Directors' emoluments (including benefits in kind)	99,913	72,264
Directors' pension contributions	4,650	2,833
Compensation for loss of office	-	9,140
	104,563	84,237

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2007 No.	2006 No.
Money purchase	1	1

6 Interest payable and similar charges

	2007 £	2006 £
Bank interest payable	138,439	128,000

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

7 Taxation

Analysis of current period tax charge

	2007	2006
	£	£
Current tax		
Corporation tax charge	<u>4,818</u>	<u>11,285</u>
Deferred tax		
Origination and reversal of timing differences	<u>11,712</u>	<u>5,109</u>
Total tax on profit on ordinary activities	<u><u>16,530</u></u>	<u><u>16,394</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2006 - lower than) the standard rate of corporation tax in the UK of 20.00% (2006 - 19.00%)

The differences are reconciled below

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>201,654</u>	<u>87,869</u>
Standard rate corporation tax charge	40,331	16,695
Expenses not deductible for tax purposes	(3,203)	4,066
Difference between depreciation and capital allowances	740	1,767
Utilisation of group losses	(32,989)	(11,243)
Change in tax rate during year	<u>(61)</u>	<u>-</u>
Total current tax for the year	<u><u>4,818</u></u>	<u><u>11,285</u></u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

8 Intangible fixed assets

	Patent £
Cost	
As at 1 January 2007 and 31 December 2007	<u>6,088</u>
Amortisation	
As at 1 January 2007	2,401
Charge for the year	<u>627</u>
As at 31 December 2007	<u>3,028</u>
Net book value	
As at 31 December 2007	<u>3,060</u>
As at 31 December 2006	<u>3,687</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

9 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
As at 1					
January 2007	258,193	69,491	4,341	365,110	697,135
Additions	7,001	493	-	40,726	48,220
Disposals	-	-	(4,341)	-	(4,341)
As at 31					
December 2007	<u>265,194</u>	<u>69,984</u>	<u>-</u>	<u>405,836</u>	<u>741,014</u>
Depreciation					
As at 1					
January 2007	155,049	37,849	4,100	281,644	478,642
Eliminated on disposals	-	-	(4,221)	-	(4,221)
Charge for the year	14,527	3,176	121	45,306	63,130
As at 31					
December 2007	<u>169,576</u>	<u>41,025</u>	<u>-</u>	<u>326,950</u>	<u>537,551</u>
Net book value					
As at 31					
December 2007	<u>95,618</u>	<u>28,959</u>	<u>-</u>	<u>78,886</u>	<u>203,463</u>
As at 31					
December 2006	<u>103,144</u>	<u>31,642</u>	<u>241</u>	<u>83,466</u>	<u>218,493</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

10 Fixed asset investments

	Group shares £
Cost	
As at 1 January 2007 and 31 December 2007	50,000
Net book value	
As at 31 December 2007	50,000
As at 31 December 2006	50,000

The company holds more than 20% of the share capital of the following companies

	Country of incorporation	Principal activity	Class	%	Year end
Subsidiary undertakings					
Aqua-Marine International Ltd	England and Wales	manufacture and marketing of boat fittings	Ordinary	100	31 December 2007
Bainbridge Marine Limited	England and Wales	Dormant	Ordinary	100	31 January 2008

	Capital & reserves £	Profit/(loss) for the year £
Subsidiary undertakings		
Aqua-Marine International Ltd	(249,650)	(104,177)
Bainbridge Marine Limited	100	-

11 Stocks and work in progress

	2007 £	2006 £
Raw materials	99,605	217,128
Finished goods	2,365,164	2,701,014
	2,464,769	2,918,142

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

12 Debtors

	2007	2006
	£	£
Trade debtors	1,905,019	1,386,538
Amounts owed by group undertakings	758,214	308,257
Other debtors	64,312	5,762
Prepayments and accrued income	86,246	150,201
	<u>2,813,791</u>	<u>1,850,758</u>

13 Creditors: Amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	505,000	500,000
Short term loan	1,119,521	1,109,314
Trade creditors	768,173	757,708
Amounts owed to group undertakings	454,466	339,257
Corporation tax	16,103	11,285
Social security and other taxes	29,277	46,536
Other creditors	-	5,305
Accruals and deferred income	151,508	71,203
	<u>3,044,048</u>	<u>2,840,608</u>

14 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts	Other Loans	Total
	£	£	£
As at 31 December 2007			
In one year or less on demand	505,000	1,119,521	1,624,521
	<u>505,000</u>	<u>1,119,521</u>	<u>1,624,521</u>
As at 31 December 2006			
In one year or less on demand	500,000	1,109,314	1,609,314
	<u>500,000</u>	<u>1,109,314</u>	<u>1,609,314</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

15 Security of borrowings

Bank loans and overdrafts are secured by fixed and floating charges over all the assets of the company

The short term loan relates to an invoice discounting agreement and is secured on the trade debtors of the company

16 Provisions for liabilities

	Deferred tax provision £
As at 1 January 2007	5,109
Deferred tax provision charged to the profit and loss account	<u>11,712</u>
As at 31 December 2007	<u><u>16,821</u></u>

Deferred tax

Deferred tax is provided at 30.00% (2006 - 30.00%)

	2007 £	2006 £
Accelerated capital allowances	<u>16,821</u>	<u>5,109</u>

17 Share capital

	2007 £	2006 £
Authorised		
Equity		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid		
Equity		
1,850,300 Ordinary shares of £1 each	<u>1,850,300</u>	<u>1,850,300</u>

18 Reserves

	Profit and loss account £
Balance at 1 January 2007	459,764
Transfer from profit and loss account for the year	<u>185,124</u>
Balance at 31 December 2007	<u><u>644,888</u></u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2007

continued

19 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit attributable to members of the company	185,124	71,475
Opening equity shareholders' funds	<u>2,310,064</u>	<u>2,238,589</u>
Closing equity shareholders' funds	<u><u>2,495,188</u></u>	<u><u>2,310,064</u></u>

20 Operating lease commitments

As at 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings		Other Items	
	2007	2006	2007	2006
	£	£	£	£
Within one year	43,144	43,144	1,137	1,137
Within two and five years	-	-	23,505	23,505
Over five years	<u>103,500</u>	<u>103,500</u>	<u>7,347</u>	<u>7,347</u>
	<u><u>146,644</u></u>	<u><u>146,644</u></u>	<u><u>31,989</u></u>	<u><u>31,989</u></u>

21 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £11,516 (2006 - £11,482)

Contributions totalling £nil (2006 - £2,570) were payable to the scheme at the end of the period and are included in creditors

22 Related parties

Controlling entity

The company is a wholly owned subsidiary of Bainbridge International Inc, a company incorporated in the United States of America. A copy of its consolidated financial statements can be obtained from 255 Revere Street, Canton, Massachusetts, USA

The directors regard Meadowcrest Finance Limited, a company incorporated in the British Virgin Islands, as the ultimate holding company