

Bainbridge International Limited

Directors' Report and Abbreviated Accounts

for the Year Ended 31 December 2008

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
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 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

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

Approved by the Board and signed on its behalf by:


.....

A Read
Company Secretary

Date: 27/4/2009

**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 4 to 14, together with the financial statements of the company for the year ended 31 December 2008 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 4 to 14 are properly prepared in accordance with those provisions.


RSM Bentley Jennison
Chartered Accountants & Registered Auditors
Date: 28/04/09

Chapel House
Westmead Drive
Westlea
Swindon
SN5 7UN

Bainbridge International Limited
Abbreviated Profit and Loss Account for the Year Ended 31 December 2008

	Note	2008 £	2007 £
Gross profit		2,457,854	2,246,731
Administrative expenses		(2,037,930)	(1,925,869)
Operating profit	3	<u>419,924</u>	<u>320,862</u>
Other interest receivable and similar income		23,064	19,231
Interest payable and similar charges	6	(124,677)	(138,439)
Profit on ordinary activities before taxation		<u>318,311</u>	<u>201,654</u>
Tax on profit on ordinary activities	7	(65,088)	(16,530)
Profit for the financial year	18	<u><u>253,223</u></u>	<u><u>185,124</u></u>

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 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Intangible assets	8		2,452		3,060
Tangible assets	9		180,491		203,463
Investments	10		<u>350,100</u>		<u>50,000</u>
			533,043		256,523
Current assets					
Stocks	11	2,430,112		2,464,769	
Debtors	12	1,564,951		2,813,791	
Cash at bank and in hand		<u>6,471</u>		<u>20,974</u>	
		4,001,534		5,299,534	
Creditors: Amounts falling due within one year	13	<u>(1,770,184)</u>		<u>(3,044,048)</u>	
Net current assets			<u>2,231,350</u>		<u>2,255,486</u>
Total assets less current liabilities			2,764,393		2,512,009
Provisions for liabilities	16		<u>(15,982)</u>		<u>(16,821)</u>
Net assets			<u>2,748,411</u>		<u>2,495,188</u>
Capital and reserves					
Called up share capital	17		1,850,300		1,850,300
Profit and loss account	18		<u>898,111</u>		<u>644,888</u>
Equity shareholders' funds	19		<u>2,748,411</u>		<u>2,495,188</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 ^{27.04.09}..... 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 2008

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.

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
Goodwill	5% straight line

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% reducing balance
Office equipment	20% - 25% straight line

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Other 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.

Operating leases

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

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

.....continued

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.

2 Other operating income

	2008	2007
	£	£
Rent receivable	14,255	6,868
Other income	-	14,364
	14,255	21,232

3 Operating profit

Operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Hire of other assets (Operating leases)	207,092	203,349
The audit of the company's annual accounts	7,950	7,500
Foreign currency gains	(55,908)	(11,662)
Profit on sale of tangible fixed assets	-	(630)
Depreciation of owned tangible fixed assets	55,609	63,130
Amortisation of development costs	609	627
	609	627

4 Particulars of employees

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

	2008	2007
	No.	No.
Manufacturing, sales and distribution	36	35
Office and management	6	6
	42	41

The aggregate payroll costs of these persons were as follows:

	2008	2007
	£	£
Wages and salaries	1,073,056	1,034,033
Social security	92,420	92,950
Other pension costs	22,280	11,516
	1,187,756	1,138,499

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' emoluments (including benefits in kind)	100,845	99,913
Directors' pension contributions	7,988	4,650
	<u>108,833</u>	<u>104,563</u>

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

	2008 No.	2007 No.
Money purchase	<u>1</u>	<u>1</u>

6 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	127,377	138,439
Bank loan interest payable	(2,700)	-
	<u>124,677</u>	<u>138,439</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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7 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	<u>65,927</u>	<u>4,818</u>
Deferred tax		
Origination and reversal of timing differences	<u>(839)</u>	<u>11,712</u>
Total tax on profit on ordinary activities	<u><u>65,088</u></u>	<u><u>16,530</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK of 28.00% (2007 - 20.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u><u>318,311</u></u>	<u><u>201,654</u></u>
Standard rate corporation tax charge	89,127	40,331
Expenses not deductible for tax purposes	893	(3,203)
Difference between depreciation and capital allowances	(1,024)	740
Utilisation of group losses	(22,367)	(32,989)
Change in tax rate during year	<u>(702)</u>	<u>(61)</u>
Total current tax for the year	<u><u>65,927</u></u>	<u><u>4,818</u></u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

.....continued

8 Intangible fixed assets

	Goodwill £	Patent £	Total £
Cost			
As at 1 January 2008 and 31 December 2008	7,885	6,088	13,973
Amortisation			
As at 1 January 2008	7,885	3,028	10,913
Charge for the year	-	608	608
As at 31 December 2008	7,885	3,636	11,521
Net book value			
As at 31 December 2008	-	2,452	2,452
As at 31 December 2007	-	3,060	3,060

9 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost				
As at 1 January 2008	265,194	69,984	405,836	741,014
Additions	2,552	1,311	28,774	32,637
As at 31 December 2008	267,746	71,295	434,610	773,651
Depreciation				
As at 1 January 2008	169,576	41,025	326,950	537,551
Charge for the year	16,846	2,934	35,829	55,609
As at 31 December 2008	186,422	43,959	362,779	593,160
Net book value				
As at 31 December 2008	81,324	27,336	71,831	180,491
As at 31 December 2007	95,618	28,959	78,886	203,463

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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10 Fixed asset investments

	Group shares £
Cost	
As at 1 January 2008	50,100
Additions	300,000
As at 31 December 2008	350,100
Net book value	
As at 31 December 2008	350,100
As at 31 December 2007	50,100

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 2008
Bainbridge Marine Limited	England and Wales	Dormant	Ordinary	100	31 January 2009

	Capital & reserves £	Profit/(loss) for the year £
Subsidiary undertakings		
Aqua-Marine International Ltd	(38,232)	(88,582)
Bainbridge Marine Limited	100	-

Since the year end a capital injection of £300,000 was made into Aqua-Marine International Limited increasing the share capital in Aqua-Marine International Limited to £650,000.

11 Stocks and work in progress

	2008 £	2007 £
Raw materials	21,556	99,605
Finished goods	2,408,556	2,365,164
	2,430,112	2,464,769

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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12 Debtors

	2008	2007
	£	£
Trade debtors	1,433,158	1,905,019
Amounts owed by group undertakings	-	758,214
Other debtors	45,441	64,312
Prepayments and accrued income	86,352	86,246
	1,564,951	2,813,791

13 Creditors: Amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	505,000	505,000
Short term loan	451,827	1,119,521
Trade creditors	545,057	768,173
Amounts owed to group undertakings	84,806	454,466
Corporation tax	65,927	16,103
Social security and other taxes	29,818	29,277
Accruals and deferred income	87,749	151,508
	1,770,184	3,044,048

14 Maturity of borrowings

Amounts repayable:

	Bank loans & overdrafts	Other Loans	Total
	£	£	£
As at 31 December 2008			
In one year or less on demand	505,000	451,827	956,827
	505,000	451,827	956,827
As at 31 December 2007			
In one year or less on demand	505,000	1,119,521	1,624,521
	505,000	1,119,521	1,624,521

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.

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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16 Provisions for liabilities

	Deferred tax provision £
As at 1 January 2008	16,821
Deferred tax provision charged to the profit and loss account	-
Deferred tax provision utilised in the period	<u>(839)</u>
As at 31 December 2008	<u>15,982</u>

Deferred tax

Deferred tax is provided at 28.00% (2007 - 30.00%).

	2008 £	2007 £
Accelerated capital allowances	<u>15,982</u>	<u>16,821</u>

17 Share capital

	2008 £	2007 £
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 2008	644,888
Transfer from profit and loss account for the year	<u>253,223</u>
Balance at 31 December 2008	<u>898,111</u>

Bainbridge International Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

..... continued

19 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit attributable to members of the company	253,223	185,124
Opening equity shareholders' funds	<u>2,495,188</u>	<u>2,310,064</u>
Closing equity shareholders' funds	<u><u>2,748,411</u></u>	<u><u>2,495,188</u></u>

20 Operating lease commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other Items	
	2008	2007	2008	2007
	£	£	£	£
Within one year	43,144	43,144	24,642	1,137
Within two and five years	-	-	-	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 £22,280 (2007 - £11,516).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

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.