

Company Registration No. 02354253 (England and Wales)

BAINBRIDGE INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

BAINBRIDGE INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	J V O'Connor A G Coventry
Secretary	P Sebborn
Company number	02354253
Registered office	Unit 8, Flanders Park Flanders Road Hedge End Southampton Hampshire SO30 2FZ
Auditors	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS

BAINBRIDGE INTERNATIONAL LIMITED

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BAINBRIDGE INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

Sales growth of 6.4% was achieved. Higher levels of growth had been planned. The key uncertainty in 2016 was the referendum on of British membership of the EU, with the June 23rd vote to leave having both a particularly marked impact on both the value of sterling and on sales volumes, where the growth achieved in the first quarter was eroded. By quarter four, the negative effect of severe price increases on sales in the UK market reversed as markets settled a strong recovery was achieved. Export sales remained stable.

Investment continued in the product development programme with the introduction of new ranges of polyester sailcloth in 2016 and 2017 as well as new ranges of Sail making hardware. The launch of a new nylon spinnaker cloth is imminent in 2017 and mid-year will see the launch of our first hybrid product, which has now completed two seasons of durability testing. A second line of Kayaks will be introduced in Q3. These new products offer enhanced performance and lower costs.

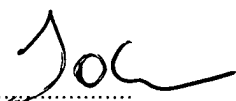
Overheads for 2016 were abnormally high. Significant adverse foreign exchange costs were recorded resulting from the weakness in sterling. Costs associated with relocating operations from the old premises and the initial product development and marketing costs associated with the revamp of Bainbridge cloth and hardware ranges were a further contributory factor. Additional costs were also incurred due to re-structuring.

Sales volumes continue to grow with year on year growth of 6.7% in the first four months of 2017 and we have a strong forward order book. The Directors remain confident that growth will continue in the medium term and that there will be a return to profit in 2017 as the new product introductions yield positive results and increased market share and penetration.

Principal Risks and Uncertainties

The directors consider that the company's principal business risks are normal trading risks. The directors have systems in place to identify and mitigate the risks and uncertainties that the group faces in carrying out its business.

On behalf of the board



J V O'Connor

Director

12 July 2017

BAINBRIDGE INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of the manufacture and marketing of boat fittings and the distribution of sail cloth.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J V O'Connor
A G Coventry

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £54,400. The directors do not recommend payment of a final dividend.

Financial instruments

Treasury operations and financial instruments

The primary financial risk that the business activities expose the company to is the risk of changes in foreign currency exchange rates.

Liquidity risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting. All of the company's cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Credit risk

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Auditor

The auditors, Fiander Tovell Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BAINBRIDGE INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
J V O'Connor

Director

..... 12 July 2017

BAINBRIDGE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAINBRIDGE INTERNATIONAL LIMITED

We have audited the financial statements of Bainbridge International Limited for the year ended 31 December 2016 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BAINBRIDGE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BAINBRIDGE INTERNATIONAL LIMITED

Opinion on financial statements

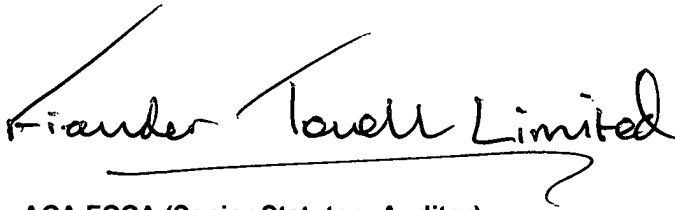
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.



Andrew Jay

Andrew Jay ACA FCCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell Limited

13/7/17

Fiander Tovell Limited

Chartered Accountants
Statutory Auditor

Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

BAINBRIDGE INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	12,415,640	11,659,066
Cost of sales		(9,050,041)	(8,474,547)
Gross profit		3,365,599	3,184,519
Administrative expenses		(4,067,418)	(3,279,510)
Other operating income		9,025	214,477
Operating (loss)/profit	4	(692,794)	119,486
Interest receivable and similar income	7	-	613
Interest payable and similar expenses	8	(19,227)	(10,915)
(Loss)/profit before taxation		(712,021)	109,184
Taxation	9	(19,791)	(29,213)
(Loss)/profit for the financial year		(731,812)	79,971

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

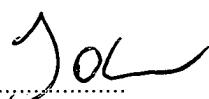
BAINBRIDGE INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11	452,583		372,526	
Investments	12	102		102	
		<u>452,685</u>		<u>372,628</u>	
Current assets					
Stocks	14	3,234,204		3,496,400	
Debtors	15	2,732,867		2,600,729	
Cash at bank and in hand		33,884		135,185	
		<u>6,000,955</u>		<u>6,232,314</u>	
Creditors: amounts falling due within one year	16	<u>(3,620,589)</u>		<u>(2,985,911)</u>	
Net current assets		<u>2,380,366</u>		<u>3,246,403</u>	
Total assets less current liabilities		<u>2,833,051</u>		<u>3,619,031</u>	
Creditors: amounts falling due after more than one year	17	(227,780)		(247,433)	
Provisions for liabilities	20	(81,047)		(61,162)	
Net assets		<u>2,524,224</u>		<u>3,310,436</u>	
Capital and reserves					
Called up share capital	23	2,343,447		2,343,447	
Profit and loss reserves		180,777		966,989	
Total equity		<u>2,524,224</u>		<u>3,310,436</u>	

The financial statements were approved by the board of directors and authorised for issue on 12 July 2017 and are signed on its behalf by:


.....
J V O'Connor
Director

Company Registration No. 02354253

BAINBRIDGE INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		2,343,447	925,818	3,269,265
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	79,971	79,971
Dividends	10	-	(38,800)	(38,800)
Balance at 31 December 2015		2,343,447	966,989	3,310,436
Year ended 31 December 2016:				
Loss and total comprehensive income for the year		-	(731,812)	(731,812)
Dividends	10	-	(54,400)	(54,400)
Balance at 31 December 2016		<u>2,343,447</u>	<u>180,777</u>	<u>2,524,224</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Bainbridge International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 8, Flanders Park, Flanders Road, Hedge End, Southampton, Hampshire, SO30 2FZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Blue Strand Marine Limited. These consolidated financial statements are available from its registered office, Unit 8 Flanders Park, Hedge End, Southampton, Hampshire, SO30 2FZ.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Bainbridge International Limited is a wholly owned subsidiary of Blue Strand Marine Limited and the results of Bainbridge International Limited are included in the consolidated financial statements of Blue Strand Marine Limited which are available from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised as earned which is taken to be the point of sale.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line basis
Plant and machinery	10% straight line basis
Fixtures & fittings	10% straight line basis
Computer equipment	20-33% straight line basis
Motor vehicles	20-33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provisions

Stock is held at the lower of cost and net realisable value. Stock is reviewed monthly to evaluate the age and movement of stock items and provision is made for slow moving stock. All stock items in excess of one year old, after allowing for 12 months sales, are provisioned on a sliding scale from 25% to 100% of value depending on the age of the stock.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Sale of goods	12,415,640	11,659,066
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	-	613
Sundry income	9,025	214,477
	<u> </u>	<u> </u>

In the opinion of the directors the disclosure of turnover attributable to geographical markets outside the United Kingdom would be seriously prejudicial to the interest of the company and has therefore not been provided.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Operating (loss)/profit

	2016	2015
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	104,601	(8,633)
Research and development costs	11,407	14,185
Fees payable to the company's auditor for the audit of the company's financial statements	11,958	10,500
Depreciation of owned tangible fixed assets	95,976	83,188
Depreciation of tangible fixed assets held under finance leases	20,598	-
Profit/(loss) on disposal of tangible fixed assets	-	1,536
Cost of stocks recognised as an expense	8,702,117	8,003,333
Operating lease charges	343,702	283,980
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016	2015
	Number	Number
Manufacturing, sales and distribution staff	53	53
Office management staff	8	8
	<u> </u>	<u> </u>
	61	61
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	1,664,661	1,680,606
Social security costs	154,489	141,715
Pension costs	60,927	45,642
	<u> </u>	<u> </u>
	1,880,077	1,867,963
	<u> </u>	<u> </u>

6 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	144,009	148,477
Company pension contributions to defined contribution schemes	7,048	6,940
	<u> </u>	<u> </u>
	151,057	155,417
	<u> </u>	<u> </u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

7 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Other interest income	-	613
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank overdrafts and loans	-	38
Interest on finance leases and hire purchase contracts	13,163	630
Other interest on financial liabilities	6,064	10,247
	<u> </u>	<u> </u>

9 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(20,882)
Adjustments in respect of prior periods	(94)	-
	<u> </u>	<u> </u>
Total current tax	(94)	(20,882)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	19,885	50,095
	<u> </u>	<u> </u>
Total tax charge	19,791	29,213
	<u> </u>	<u> </u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
(Loss)/profit before taxation	(712,021)	109,184
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(142,404)	21,837
Tax effect of expenses that are not deductible in determining taxable profit	9,553	17,565
Unutilised tax losses carried forward	151,789	-
Change in unrecognised deferred tax assets	19,885	50,095
Adjustments in respect of prior years	(94)	-
Permanent capital allowances in excess of depreciation	(18,938)	(60,201)
Other permanent differences	-	(83)
Taxation charge for the year	19,791	29,213

10 Dividends

	2016 £	2015 £
Interim paid	54,400	38,800

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2016	183,959	187,133	25,026	206,826	44,555	647,499
Additions	160,771	8,320	11,737	15,803	-	196,631
At 31 December 2016	<u>344,730</u>	<u>195,453</u>	<u>36,763</u>	<u>222,629</u>	<u>44,555</u>	<u>844,130</u>
Depreciation and impairment						
At 1 January 2016	709	119,402	3,411	117,768	33,683	274,973
Depreciation charged in the year	32,580	12,471	8,807	55,849	6,867	116,574
At 31 December 2016	<u>33,289</u>	<u>131,873</u>	<u>12,218</u>	<u>173,617</u>	<u>40,550</u>	<u>391,547</u>
Carrying amount						
At 31 December 2016	<u>311,441</u>	<u>63,580</u>	<u>24,545</u>	<u>49,012</u>	<u>4,005</u>	<u>452,583</u>
At 31 December 2015	<u>183,250</u>	<u>67,731</u>	<u>21,615</u>	<u>89,058</u>	<u>10,872</u>	<u>372,526</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £20,598 (2015 - £-) for the year.

	2016 £	2015 £
Leasehold improvements	201,982	143,372

12 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	13	102	102

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	102
Carrying amount	
At 31 December 2016	102
At 31 December 2015	102

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Aqua-Marine International Limited	England and Wales	Dormant	Ordinary	100.00	
Bainbridge Marine Limited	England and Wales	Dormant	Ordinary	100.00	

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Aqua-Marine International Limited	-	1
Bainbridge Marine Limited	-	100

14 Stocks

	2016 £	2015 £
Finished goods and goods for resale	3,234,204	3,496,400

15 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	2,079,314	1,887,167
Corporation tax recoverable	-	20,882
Amounts due from group undertakings	557,400	560,600
Other debtors	-	3,490
Prepayments and accrued income	96,153	128,590
	<u>2,732,867</u>	<u>2,600,729</u>

Trade debtors disclosed above are measured at amortised cost.

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	1,836,182	1,371,227
Obligations under finance leases	19	28,867	28,867
Trade creditors		1,368,249	1,296,661
Other taxation and social security		65,018	45,755
Other creditors		-	2,666
Accruals and deferred income		322,273	240,735
		<u>3,620,589</u>	<u>2,985,911</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	64,166	134,167
Obligations under finance leases	19	163,614	113,266
		<u>227,780</u>	<u>247,433</u>

Obligations under finance leases are secured over the assets to which they relate.

18 Loans and overdrafts

	2016 £	2015 £
Bank loans	1,900,348	1,463,576
Bank overdrafts	-	41,818
	<u>1,900,348</u>	<u>1,505,394</u>
Payable within one year	1,836,182	1,371,227
Payable after one year	64,166	134,167
	<u>1,900,348</u>	<u>1,505,394</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and over £741,843 (2015: £612,090) of the stock held in the company.

19 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	28,867	28,867
In two to five years	160,848	113,266
In over five years	2,766	-
	<u>192,481</u>	<u>142,133</u>

Finance lease payments represent rentals payable by the company for certain leasehold improvements. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	21	81,047	61,162
		<u>81,047</u>	<u>61,162</u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
ACAs	81,047	61,162
	<u>81,047</u>	<u>61,162</u>
Movements in the year:		2016 £
Liability at 1 January 2016		61,162
Charge to profit or loss		19,885
		<u>81,047</u>

22 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	60,927	45,642
	<u>60,927</u>	<u>45,642</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid		
2,343,447 ordinary of £1 each	2,343,447	2,343,447
	<u>2,343,447</u>	<u>2,343,447</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

24 Financial commitments, guarantees and contingent liabilities

Lloyds Bank PLC holds guarantees in favour of HMRC for £45,000 (2015: £45,000).

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties, vehicles and office equipment.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	370,541	147,021
Between two and five years	1,368,877	1,379,254
In over five years	1,191,563	1,482,963
	<u>2,930,981</u>	<u>3,009,238</u>

26 Related party transactions

During the year the company operated an interest free loan account with its parent company, Blue Strand Marine Limited. At the balance sheet date £557,400 (2015: £560,600) was owed to the company.

27 Controlling party

The immediate parent company is Blue Strand Marine Limited. The ultimate controlling party is J V O'Connor by virtue of his shareholding in Blue Strand Marine Limited.

The results of Bainbridge International Limited are consolidated into the accounts for Blue Strand Marine Limited, a company incorporated in England & Wales.