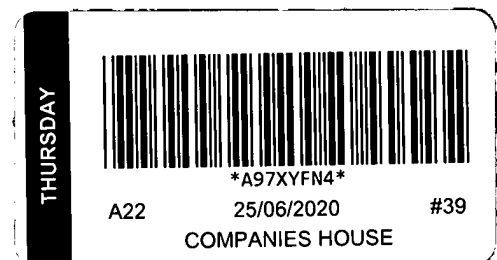


Company Registration No. 02354253 (England and Wales)

BAINBRIDGE INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019



BAINBRIDGE INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors J O'Connor
A Smith
G Lacey (Appointed 1 October 2018)

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

Business address Unit 8, Flanders Park
Flanders Road
Hedge End
Southampton
Hampshire
SO30 2FZ

BAINBRIDGE INTERNATIONAL LIMITED

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BAINBRIDGE INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report for the year ended 30 September 2019.

Fair review of the business

The principal activities of the company are the design, manufacture and sale of sail cloth and associated hardware and the manufacturing, sale, marketing and distribution of leisure marine products.

The accounts presented show the results of previously reported strategic initiatives which have been put in place within the business in the prior period as the company has anticipated the changes in the marketplace.

During the year change in the domestic UK wholesale distribution markets for leisure marine products has continued to be in evidence. Further progress has been made in re-positioning the leisure marine products business to greater focus on both own manufactured products and more selective marketing and distribution of third-party premium brands. Many secondary brands have been dropped. The company has restructured its sales team bringing it entirely in house with the benefits of improved customer contact, more focused sales efforts and reduced cost. Within the sail cloth and hardware business new products have been successfully introduced to the market with positive response from customers. Results for this business remain satisfactory.

The further reported loss is a direct result of the costs associated with implementing the strategic initiatives. Changes have been made during the year to place the business on a sound footing as the business strategy continues to be implemented. The directors consider that the changes made are correct and appropriate for the challenges the industry is facing as market operating conditions change. The Board was strengthened substantially in the prior period to implement the strategic changes. A further appointment was made with the appointment of Gavin Lacey to the Board. Having undertaken the strategic changes, it was appropriate to reduce the size of the Board accordingly. The Board would like to record its appreciation to the three departing directors for the significant contribution they have made to re-positioning the business.

The reported loss is a direct result of implementing the changes in the business outlined above.

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.

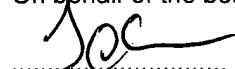
Key performance indicators

As part of the continual management reporting and key trend analysis of the business by the Board of Directors, two leading Key Performance Indicators from the dashboard reports are taken as reliable bellwethers of the business. These are gross profit and overheads as a proportion of turnover.

	2019	2018
Gross Profit	2,853,690	3,278,036
Gross Profit Margin	26.9%	26.4%
Overheads	3,291,769	3,466,269
Overheads as percentage of turnover	31.0%	28.0%

Gross profit margin has remained consistent with a slight increase on last year. Overheads have been reduced. The increase in percentage of turnover is a result of one-off costs associated with re-positioning the business.

On behalf of the board



J O'Connor

Director

25 November 2019

BAINBRIDGE INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the year ended 30 September 2019.

Principal activities

The principal activity of the business is the design, manufacture, marketing and distribution of sail cloth and boat fittings.

Directors

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

J O'Connor	
P Sebborn	(Resigned 31 July 2019)
A Smith	
A Watson	(Resigned 23 May 2019)
L Crowhurst	(Resigned 7 June 2019)
G Lacey	(Appointed 1 October 2018)

Results and dividends

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

No ordinary dividends were paid. 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.

Pricing risk

The directors consider that the company faces the usual pricing risk of any other company operating in a competitive, commercial environment.

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 30 SEPTEMBER 2019

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 O'Connor

Director

Date: 25 November 2019

BAINBRIDGE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAINBRIDGE INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Bainbridge International Limited (the 'company') for the year ended 30 September 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

BAINBRIDGE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BAINBRIDGE INTERNATIONAL LIMITED

Matters on which we are required to report by exception

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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



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

6/12/19

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 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	10,617,584	12,396,441
Cost of sales		(7,763,894)	(9,118,405)
Gross profit		<u>2,853,690</u>	<u>3,278,036</u>
Administrative expenses		(3,291,769)	(3,466,269)
Operating loss	4	<u>(438,079)</u>	<u>(188,233)</u>
Interest payable and similar expenses	7	(8,781)	(14,099)
Loss before taxation		<u>(446,860)</u>	<u>(202,332)</u>
Tax on loss	8	14,514	39,845
Loss for the financial year		<u><u>(432,346)</u></u>	<u><u>(162,487)</u></u>

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


BAINBRIDGE INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	10		308,532		355,603
Investments	11		101		102
			<u>308,633</u>		<u>355,705</u>
Current assets					
Stocks	13	3,145,050		3,547,848	
Debtors	14	2,212,335		2,496,347	
Cash at bank and in hand		77,298		7,876	
		<u>5,434,683</u>		<u>6,052,071</u>	
Creditors: amounts falling due within one year	15	(3,910,142)		(4,079,113)	
Net current assets			<u>1,524,541</u>		<u>1,972,958</u>
Total assets less current liabilities			<u>1,833,174</u>		<u>2,328,663</u>
Creditors: amounts falling due after more than one year	16		(61,215)		(109,844)
Provisions for liabilities	19		(19,300)		(33,814)
Net assets			<u>1,752,659</u>		<u>2,185,005</u>
Capital and reserves					
Called up share capital	22		2,343,447		2,343,447
Profit and loss reserves			(590,788)		(158,442)
Total equity			<u>1,752,659</u>		<u>2,185,005</u>

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


.....
J O'Connor
Director 25 November 2019

Company Registration No. 02354253

BAINBRIDGE INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2017		2,343,447	42,445	2,385,892
Period ended 30 September 2018:				
Loss and total comprehensive income for the period		-	(162,487)	(162,487)
Dividends	9	-	(38,400)	(38,400)
Balance at 30 September 2018		2,343,447	(158,442)	2,185,005
Year ended 30 September 2019:				
Loss and total comprehensive income for the year		-	(432,346)	(432,346)
Balance at 30 September 2019		2,343,447	(590,788)	1,752,659

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

1.2 Going concern

The financial statements have been prepared on the going concern basis on the assumption that the company will continue for the foreseeable future.

Considering recent reported losses and continued trading headwinds in some parts of the business, the directors have reviewed the business structure and overheads and produced a viable plan that sees the company return to profit next year. They are satisfied that with continued close management of working capital and operational spend there is sufficient comfort that the company will be able to meet its ongoing financial obligations.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.3 Turnover

The turnover shown in the income statement represents amounts invoiced during the year, exclusive of value added tax. Turnover is recognised when the risks and rewards of ownership of stock is transferred to the customer. This occurs when stock is delivered to the customer or is collected by them from the point of sale. As such, invoices are raised on delivery or collection and recognised immediately.

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	25% 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.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. The AVCO method is applied upon valuation of stock. 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.

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.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

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.

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.

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.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

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 transaction 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.

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.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

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 profit or loss 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 leases asset are consumed.

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.

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 old and 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. The stock provision at the period end was £430,561 (2018: £366,272).

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover		
Sale of goods	10,617,584	12,396,441

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.

4 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	49,598	54,060
Research and development costs	6,803	6,932
Fees payable to the company's auditor for the audit of the company's financial statements	12,030	11,607
Depreciation of owned tangible fixed assets	39,897	57,389
Depreciation of tangible fixed assets held under finance leases	28,681	25,168
Loss on disposal of tangible fixed assets	1,686	-
Profit on disposal of intangible assets	-	(917)
Cost of stocks recognised as an expense	7,512,622	8,797,561
Operating lease charges	354,818	348,236

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

5 Employees

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

	2019	2018
	Number	Number
Manufacturing, sales and distribution staff	47	50
Office management staff	5	5
	<u>52</u>	<u>55</u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,453,840	1,395,166
Social security costs	133,694	129,928
Pension costs	65,457	58,957
	<u>1,652,991</u>	<u>1,584,051</u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	338,338	330,678
Company pension contributions to defined contribution schemes	27,502	15,163
	<u>365,840</u>	<u>345,841</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	<u>89,112</u>	<u>80,157</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	61	1,594
Interest on finance leases and hire purchase contracts	8,720	12,505
	<u>8,781</u>	<u>14,099</u>

8 Taxation

	2019	2018
	£	£
Current tax		
Adjustments in respect of prior periods	-	(28,649)
	<u>-</u>	<u>(28,649)</u>
Deferred tax		
Origination and reversal of timing differences	(14,514)	(11,196)
	<u>(14,514)</u>	<u>(11,196)</u>
Total tax credit	<u>(14,514)</u>	<u>(39,845)</u>

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

	2019	2018
	£	£
Loss before taxation	(446,860)	(202,332)
	<u>(446,860)</u>	<u>(202,332)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(84,903)	(38,443)
Tax effect of expenses that are not deductible in determining taxable profit	(2,129)	1,500
Change in unrecognised deferred tax assets	70,811	24,430
Deferred tax adjustment in respect of change in tax rates	1,707	1,317
Research and development tax credit	-	(28,649)
	<u>(14,514)</u>	<u>(39,845)</u>
Taxation credit for the year	<u>(14,514)</u>	<u>(39,845)</u>

9 Dividends

	2019	2018
	£	£
Interim paid	-	38,400
	<u>-</u>	<u>38,400</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2018	356,190	217,785	36,763	225,799	62,339	898,876
Additions	1,586	18,083	-	3,524	-	23,193
Disposals	-	-	-	(5,221)	-	(5,221)
At 30 September 2019	357,776	235,868	36,763	224,102	62,339	916,848
Depreciation and impairment						
At 1 October 2018	95,372	161,871	28,301	219,544	38,185	543,273
Depreciation charged in the year	35,678	13,344	7,191	5,526	6,839	68,578
Eliminated in respect of disposals	-	-	-	(3,535)	-	(3,535)
At 30 September 2019	131,050	175,215	35,492	221,535	45,024	608,316
Carrying amount						
At 30 September 2019	226,726	60,653	1,271	2,567	17,315	308,532
At 30 September 2018	260,818	55,914	8,462	6,255	24,154	355,603

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Leasehold Improvements	140,772	163,030
Motor vehicles	16,267	22,690
	157,039	185,720

11 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	12	101	102

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

11 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2018	102
Disposals	(1)
	<hr/>
At 30 September 2019	101
	<hr/>
Carrying amount	
At 30 September 2019	101
	<hr/> <hr/>
At 30 September 2018	102
	<hr/> <hr/>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

12 Subsidiaries

These financial statements are separate company financial statements for Bainbridge International Limited.

Details of the company's subsidiaries at 30 September 2019 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 30 SEPTEMBER 2019

12 Subsidiaries

(Continued)

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

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

13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	3,145,050	3,547,848

The stock figure includes a stock provision for old and slow moving stock of £430,561 (2018: £366,272).

14 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	1,443,071	1,797,283
Amounts owed by group undertakings	592,600	557,400
Other debtors	38,577	-
Prepayments and accrued income	138,087	141,664
	<u>2,212,335</u>	<u>2,496,347</u>

Trade debtors disclosed above are measured at amortised cost.

Within the debtor balance is a bad debt provision of £24,884 (2018: £114,762).

15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	17	1,925,346	2,179,633
Obligations under finance leases	18	51,068	44,839
Trade creditors		1,584,346	1,505,896
Taxation and social security		38,958	60,962
Other creditors		5,929	8,079
Accruals and deferred income		304,495	279,704
		<u>3,910,142</u>	<u>4,079,113</u>

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

16 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	18	61,215	109,844

17 Loans and overdrafts

	2019 £	2018 £
Bank loans	1,925,346	2,179,633
Payable within one year	1,925,346	2,179,633

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and over £854,237 (2018: £851,341) of the stock held in the company.

18 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	51,068	44,839
In two to five years	61,215	109,844
	112,283	154,683

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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

19 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	20	19,300	33,814

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

20 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelrated capital allowances	45,961	52,539
Other short term timing differences	(26,661)	(18,725)
	<u>19,300</u>	<u>33,814</u>
		2019 £
Movements in the year:		
Liability at 1 October 2018		33,814
Credit to profit or loss		(14,514)
Liability at 30 September 2019		<u>19,300</u>

21 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>65,457</u>	<u>58,957</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.

22 Share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
2,343,447 ordinary shares of £1 each	<u>2,343,447</u>	<u>2,343,447</u>

23 Financial commitments, guarantees and contingent liabilities

Lloyds Bank PLC holds guarantees in favour of HMRC for £45,000 (2018: £45,000).

BAINBRIDGE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

24 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:

	2019	2018
	£	£
Within one year	338,283	370,381
Between two and five years	1,280,118	1,291,098
In over five years	316,879	634,629
	<u>1,935,280</u>	<u>2,296,108</u>

25 Events after the reporting date

On 30 October 2019, the Company sublet one its units at an open market rent.

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 £592,600 (2018: £557,400) was owed to the company.

27 Ultimate controlling party

The parent company is Blue Strand Marine Limited. The ultimate controlling party is J 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. The address for Blue Strand Marine Limited is the same as for Bainbridge International Limited. Copies of the consolidated accounts can be obtained from Companies House.