

BAINBRIDGE INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Company Registration Number 02354253

RSM Tenon Limited
Accountants & Business Advisers
Chapel House
Westmead Drive
Westlea
Swindon
SN5 7UN

THURSDAY



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COMPANIES HOUSE

BAINBRIDGE INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

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BAINBRIDGE INTERNATIONAL LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2010

The board of directors	Mr J O'Connor Mr M Cuscia
Company secretary	Mr R Keith
Business address	Unit 8 Flanders Industrial Park Flanders Road Hedge End Southampton Hampshire SO30 2FZ
Registered office	8 Flanders Park Hedge End Southampton Hampshire SO30 2FZ
Auditor	RSM Tenon Audit Limited Chapel House Westmead Drive Westlea Swindon SN5 7UN
Accountants	RSM Tenon Limited Accountants & Business Advisers Chapel House Westmead Drive Westlea Swindon SN5 7UN

BAINBRIDGE INTERNATIONAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the group for the year ended 31 December 2010

Principal activities and business review

The principal activity of the company during the year was the manufacture and marketing of boat fittings and the distribution of sail cloth

Business review

Development and performance of the business

Trading throughout the year continued to be adversely affected by the extremely difficult global market conditions. The results for the year were unsatisfactory however the financial position at the year end was considered to be satisfactory. Growth from the low level of trading is anticipated in the medium term as market conditions improve.

Position of the business

At the end of the year, the net assets totalled £2,885,513

Results and dividends

The profit for the year, after taxation, amounted to £17,322. The directors have not recommended a dividend.

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

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 overdrafts at floating rates of interest. All of the business' 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.

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.

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.

BAINBRIDGE INTERNATIONAL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Directors

The directors who served the company during the year were as follows

Mr J O'Connor

Mr M Cuscia

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are individually aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

BAINBRIDGE INTERNATIONAL LIMITED

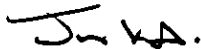
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



Mr R Keith

Company Secretary

Approved by the directors on 30/6/2011

BAINBRIDGE INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAINBRIDGE INTERNATIONAL LIMITED
YEAR ENDED 31 DECEMBER 2010

We have audited the group and parent company financial statements ("the financial statements") of Bainbridge International Limited for the year ended 31 December 2010 on pages 7 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).

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 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 page 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's profit 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

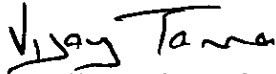
BAINBRIDGE INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAINBRIDGE INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Vijay Tanna, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Chapel House
Westmead Drive
Westlea
Swindon
SN5 7UN

Date - 01/07/2011

BAINBRIDGE INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Group turnover	2	10,047,980	11,232,031
Cost of sales		(7,162,793)	(7,968,408)
Gross profit		<u>2,885,187</u>	<u>3,263,623</u>
Administrative expenses		(2,791,318)	(2,872,227)
Other operating income	3	-	(3,500)
Operating profit	4	<u>93,869</u>	<u>387,896</u>
Interest receivable		26,243	17,952
Interest payable and similar charges	7	(91,555)	(124,160)
Profit on ordinary activities before taxation		<u>28,557</u>	<u>281,688</u>
Tax on profit on ordinary activities	8	(11,235)	(83,617)
Profit for the financial year	9	<u>17,322</u>	<u>198,071</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 11 to 23 form part of these financial statements

BAINBRIDGE INTERNATIONAL LIMITED

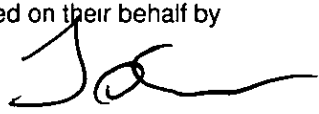
GROUP BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	10		1,348		1,843
Tangible assets	11		302,427		330,556
Investments	12		100		100
			<u>303,875</u>		<u>332,499</u>
Current assets					
Stocks	13	2,840,164		2,695,068	
Debtors	14	2,058,981		2,125,441	
Cash at bank and in hand		555,713		1,031,376	
			<u>5,454,858</u>		<u>5,851,885</u>
Creditors. Amounts falling due within one year	15	<u>(2,842,768)</u>		<u>(3,292,887)</u>	
Net current assets			2,612,090		2,558,998
Total assets less current liabilities			<u>2,915,965</u>		<u>2,891,497</u>
Provisions for liabilities					
Deferred taxation	17		(30,452)		(23,306)
			<u>2,885,513</u>		<u>2,868,191</u>
Capital and reserves					
Called-up share capital	20		2,160,241		2,160,241
Profit and loss account	21		725,272		707,950
Shareholders' funds	22		<u>2,885,513</u>		<u>2,868,191</u>

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by

30 June 2011



Mr J O'Connor
Director


BAINBRIDGE INTERNATIONAL LIMITED

Registered Number 02354253

BALANCE SHEET**31 DECEMBER 2010**

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Intangible assets	10		1,348		1,843
Tangible assets	11		302,427		184,876
Investments	12		86,783		650,100
			<u>390,558</u>		<u>836,819</u>
Current assets					
Stocks	13	2,840,164		2,009,912	
Debtors	14	2,058,983		2,827,125	
Cash at bank and in hand		555,713		577,012	
		<u>5,454,860</u>		<u>5,414,049</u>	
Creditors: Amounts falling due within one year	15	<u>(2,929,453)</u>		<u>(2,888,981)</u>	
Net current assets			2,525,407		2,525,068
Total assets less current liabilities			<u>2,915,965</u>		<u>3,361,887</u>
Provisions for liabilities					
Deferred taxation	17		(30,452)		(23,306)
			<u>2,885,513</u>		<u>3,338,581</u>
Capital and reserves					
Called-up share capital	20		2,160,241		2,160,241
Profit and loss account	21		725,272		1,178,340
Shareholders' funds			<u>2,885,513</u>		<u>3,338,581</u>

These financial statements were approved by the directors and authorised for issue on 30 June 2011 and are signed on their behalf by


Mr J O'Connor
Director

BAINBRIDGE INTERNATIONAL LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2010

	Note	2010		2009	
		£	£	£	£
Net cash inflow from operating activities	23		192,245		1,044,022
Returns on investments and Servicing of finance					
Interest received		26,243		17,952	
Interest paid		(11,191)		(20,490)	
Interest element of hire purchase and finance lease		(80,364)		(103,670)	
Net cash outflow from returns on investments and servicing of finance			(65,312)		(106,208)
Taxation			(76,294)		(65,926)
Capital expenditure					
Payments to acquire tangible fixed assets		(83,775)		(77,212)	
Net cash outflow from capital expenditure			(83,775)		(77,212)
Cash (outflow)/inflow before financing			(33,136)		794,676
Financing					
Issue of equity share capital		-		309,941	
Repayment of bank loans		(400,000)		(170,000)	
Short term loan		(42,527)		(119,045)	
Net cash (outflow)/inflow from financing			(442,527)		20,896
(Decrease)/increase in cash	23		(475,663)		815,572

The notes on pages 11 to 23 form part of these financial statements

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Under the Companies Act 2006 Bainbridge Marine Limited, a subsidiary of Bainbridge International Limited, is excluded from the consolidation due to the company being dormant for the entire period of the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax.

Goodwill

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

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill	- 5% straight line basis
Patents	- 10% straight line basis

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% straight line basis
Fixtures & Fittings	- 10% reducing balance basis
Motor Vehicles	- 33% straight line basis
Office Equipment	- 20-25% straight line basis

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. Accounting policies *(continued)*

Fixed asset investments

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is the anticipated sales proceeds less any costs of disposal

Operating lease agreements

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

Pension costs

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Going concern

The financial statements have been prepared on the going concern basis on the grounds of the continued support of the bank and its parent company. In the opinion of the directors there is no reason to suggest the bank or the parent company would withdraw this support and as such the financial statements do not include any adjustments that would be necessary if finance was withdrawn from the company

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

2 Turnover

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 group and has not therefore been provided

3 Other operating income

	2010	2009
	£	£
Rent receivable	<u>—</u>	<u>(3,500)</u>

4 Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Amortisation of intangible assets	495	17,147
Depreciation of owned fixed assets	111,904	83,112
Auditors remuneration	10,450	8,000
Operating lease costs		
-Plant and machinery	43,057	48,875
-Other	211,941	236,874
Net loss on foreign currency translation	<u>54,127</u>	<u>33,880</u>

5 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2010	2009
	No	No
Number of manufacturing, sales and distribution staff	42	49
Number of office management staff	9	9
	<u>51</u>	<u>58</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	1,353,038	1,437,673
Social security costs	90,563	83,338
Other pension costs	14,004	23,323
Other pension costs		
Pensions paid to former employees	8,211	—
	<u>1,465,816</u>	<u>1,544,334</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Remuneration receivable	104,023	121,940
Value of company pension contributions to money purchase schemes	<u>8,211</u>	<u>9,571</u>
	<u>112,234</u>	<u>131,511</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2010 No	2009 No
Money purchase schemes	<u>1</u>	<u>1</u>

7. Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	186	398
Finance charges	80,364	103,670
Other similar charges payable	<u>11,005</u>	<u>20,092</u>
	<u>91,555</u>	<u>124,160</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 - 28%)	4,089	76,293
Deferred tax		
Origination and reversal of timing differences	<u>7,146</u>	<u>7,324</u>
Tax on profit on ordinary activities	<u>11,235</u>	<u>83,617</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>28,557</u>	<u>281,688</u>
Profit on ordinary activities by rate of tax	5,997	78,873
Effects of		
Expenses not deductible for tax purposes	723	1,346
Capital allowances for period in excess of depreciation	(2,631)	(2,239)
Tax chargeable at lower rates	-	(1,687)
Total current tax (note 8(a))	<u>4,089</u>	<u>76,293</u>

9 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £(453,068) (2009 - £280,229)

10 Intangible fixed assets

Group	Goodwill £	Patent £	Total £
Cost			
At 1 January 2010	107,885	6,088	113,973
Disposals	(100,000)	-	(100,000)
At 31 December 2010	<u>7,885</u>	<u>6,088</u>	<u>13,973</u>
Amortisation			
At 1 January 2010	107,885	4,245	112,130
Charge for the year	-	495	495
On disposals	(100,000)	-	(100,000)
At 31 December 2010	<u>7,885</u>	<u>4,740</u>	<u>12,625</u>
Net book value			
At 31 December 2010	<u>-</u>	<u>1,348</u>	<u>1,348</u>
At 31 December 2009	<u>-</u>	<u>1,843</u>	<u>1,843</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

10 Intangible fixed assets (continued)

Company	Goodwill £	Patent £	Total £
Cost			
At 1 January 2010 and 31 December 2010	<u>7,885</u>	<u>6,088</u>	<u>13,973</u>
Amortisation			
At 1 January 2010	7,885	4,245	12,130
Charge for the year	<u>–</u>	<u>495</u>	<u>495</u>
At 31 December 2010	<u>7,885</u>	<u>4,740</u>	<u>12,625</u>
Net book value			
At 31 December 2010	<u>–</u>	<u>1,348</u>	<u>1,348</u>
At 31 December 2009	<u>–</u>	<u>1,843</u>	<u>1,843</u>

11. Tangible fixed assets

Group	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2010	421,342	200,671	33,870	466,919	1,122,802
Additions	17,358	11,803	–	54,614	83,775
Disposals	(124,202)	–	–	(246,935)	(371,137)
At 31 December 2010	<u>314,498</u>	<u>212,474</u>	<u>33,870</u>	<u>274,598</u>	<u>835,440</u>
Depreciation					
At 1 January 2010	271,918	110,889	15,608	393,831	792,246
Charge for the year	31,670	39,540	4,913	35,781	111,904
On disposals	(124,202)	–	–	(246,935)	(371,137)
At 31 December 2010	<u>179,386</u>	<u>150,429</u>	<u>20,521</u>	<u>182,677</u>	<u>533,013</u>
Net book value					
At 31 December 2010	<u>135,112</u>	<u>62,045</u>	<u>13,349</u>	<u>91,921</u>	<u>302,427</u>
At 31 December 2009	<u>149,424</u>	<u>89,782</u>	<u>18,262</u>	<u>73,088</u>	<u>330,556</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

11 Tangible fixed assets (continued)

Company	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2010	283,287	71,295	7,000	466,919	828,501
Additions	71,059	45,314	9,460	54,614	180,447
Disposals	(124,201)	—	—	(246,935)	(371,136)
At 31 December 2010	<u>230,145</u>	<u>116,609</u>	<u>16,460</u>	<u>274,598</u>	<u>637,812</u>
Depreciation					
At 1 January 2010	202,324	46,692	778	393,831	643,625
Charge for the year	16,911	7,872	2,333	35,781	62,897
On disposals	(124,202)	—	—	(246,935)	(371,137)
At 31 December 2010	<u>95,033</u>	<u>54,564</u>	<u>3,111</u>	<u>182,677</u>	<u>335,385</u>
Net book value					
At 31 December 2010	<u>135,112</u>	<u>62,045</u>	<u>13,349</u>	<u>91,921</u>	<u>302,427</u>
At 31 December 2009	<u>80,963</u>	<u>24,603</u>	<u>6,222</u>	<u>73,088</u>	<u>184,876</u>

12. Investments

Group	Total £
Cost	
At 1 January 2010 and 31 December 2010	<u>100</u>
Net book value	
At 31 December 2010 and 31 December 2009	<u>100</u>

Subsidiary undertakings

At 31 December 2010 the group and company held more than 20% of a class of the allotted equity share capital of the following companies incorporated in the UK

	Class of shares	Held by parent	Held by group	Nature of business
Aqua-Marine International Ltd	Ordinary	100%	100%	Manufacture and marketing of boat fittings
Bainbridge Marine Ltd	Ordinary	100%	100%	Dormant

Included within the consolidated accounts are the results for Aqua-Marine International Limited, a 100% subsidiary under the Companies Act 2006. Bainbridge Marine Limited is excluded from the consolidation due to the company being dormant for the entire period of the financial statements.

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

Company	Group companies £
Cost or valuation	
At 1 January 2010	650,100
Revaluations	(563,317)
At 31 December 2010	<u>86,783</u>
Net book value	
At 31 December 2010	<u>86,783</u>
At 31 December 2009	<u>650,100</u>

The activities of Aqua-Marine International Limited have been classed as discontinued in the single company accounts as the trade and assets of the company were hived up into the parent company, Bainbridge International Limited as at 31 December 2010

13. Stocks

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Raw materials	67,236	27,828	67,236	27,828
Finished goods	2,772,928	2,667,240	2,772,928	1,982,084
	<u>2,840,164</u>	<u>2,695,068</u>	<u>2,840,164</u>	<u>2,009,912</u>

14. Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	1,933,842	1,966,566	1,933,843	1,439,482
Amounts owed by group undertakings	-	-	-	1,265,824
VAT recoverable	-	30,012	-	34,339
Other debtors	2,818	1,192	2,818	847
Prepayments and accrued income	122,321	127,671	122,322	86,633
	<u>2,058,981</u>	<u>2,125,441</u>	<u>2,058,983</u>	<u>2,827,125</u>

BAINBRIDGE INTERNATIONAL LIMITED
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15. Creditors. Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Short term loan	290,255	332,782	290,255	332,782
Convertible loans	25,000	25,000	25,000	25,000
Bank loans	1,200,000	1,600,000	1,200,000	1,600,000
Trade creditors	1,126,137	1,001,280	1,126,137	670,364
Amounts owed to group undertakings	68,427	13,982	155,110	-
Other creditors including taxation and social security				
Corporation tax	4,089	76,294	4,089	76,294
PAYE and social security	33,707	36,466	33,708	28,638
VAT	2,817	-	2,818	-
Accruals and deferred income	92,336	207,083	92,336	155,903
	<u>2,842,768</u>	<u>3,292,887</u>	<u>2,929,453</u>	<u>2,888,981</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the group/company

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	(1,200,000)	(1,600,000)	(1,200,000)	(1,600,000)
Short term loan	(290,255)	(332,782)	(290,255)	(332,782)
	<u>(1,490,255)</u>	<u>(1,932,782)</u>	<u>(1,490,255)</u>	<u>(1,932,782)</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company. At 31 December 2010 the assets of Aqua-Marine Limited were hived up into Bainbridge International Limited and amounted to £1,744,507

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

16 Pensions

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £22,215 (2009 - £23,323)

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

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Provision brought forward	23,306	15,982	23,306	15,982
Increase in provision	7,146	7,324	7,146	7,324
Provision carried forward	<u>30,452</u>	<u>23,306</u>	<u>30,452</u>	<u>23,306</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2010		2009	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	30,452	-	23,306	-
Tax losses available	-	(10,138)	-	(10,138)
	<u>30,452</u>	<u>(10,138)</u>	<u>23,306</u>	<u>(10,138)</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2010		2009	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>30,452</u>	-	<u>23,306</u>	-

18. Commitments under operating leases

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

Group	2010		2009	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	48,379	2,392	43,144	35,343
Within 2 to 5 years	-	15,650	-	7,346
After more than 5 years	247,840	6,569	175,340	-
	<u>296,219</u>	<u>24,611</u>	<u>218,484</u>	<u>42,689</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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18 Commitments under operating leases (continued)

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

Company	2010		2009	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	48,379	2,392	43,144	14,404
Within 2 to 5 years	-	15,650	-	7,346
After more than 5 years	247,840	6,569	103,500	-
	<u>296,219</u>	<u>24,611</u>	<u>146,644</u>	<u>21,750</u>

19 Related party transactions

Controlling entity

The company is a wholly owned subsidiary of Bainbridge International Inc, a company incorporated in the United States of America. A copy of the parent company accounts can be obtained from 225 Revere Street, Canton, Massachusetts, USA. These accounts do not consolidate the results of Bainbridge International Limited and its subsidiaries.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with consolidated group companies on the grounds that consolidated financial statements are prepared by Bainbridge International Limited.

The following transactions took place during the year with other non-consolidated group members

	Sales ledger £	Purchase ledger £
Bainbridge International Pty	93,249	-
Bainbridge International Inc	351,785	1,091,937
	<u>445,034</u>	<u>1,091,937</u>

At the 31 December 2010 the following balances were owed from/owed to other non-consolidated group members

	Owed from £	Owed to £
Bainbridge International Pty	16,934	-
Bainbridge International Inc	-	85,342

BAINBRIDGE INTERNATIONAL LIMITED
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20 Share capital

Allotted, called up and fully paid.

	2010		2009	
	No	£	No	£
2,160,241 Ordinary shares of £1 each	<u>2,160,241</u>	<u>2,160,241</u>	<u>2,160,241</u>	<u>2,160,241</u>

The company issued a further 183,206 ordinary shares of £1 each at par to Bainbridge International Inc on 22nd February 2011

21 Reserves

Group	Profit and loss account
	£
Balance brought forward	707,950
Profit for the year	<u>17,322</u>
Balance carried forward	<u>725,272</u>
Company	Profit and loss account
	£
Balance brought forward	1,178,340
Loss for the year	<u>(453,068)</u>
Balance carried forward	<u>725,272</u>

22. Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	17,322	198,071
New ordinary share capital subscribed	<u>-</u>	<u>309,941</u>
Net addition to shareholders' funds	17,322	508,012
Opening shareholders' funds	2,868,191	2,360,179
Closing shareholders' funds	<u>2,885,513</u>	<u>2,868,191</u>

BAINBRIDGE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	93,869	387,896
Amortisation	495	17,147
Depreciation	111,904	83,112
(Increase)/decrease in stocks	(145,096)	607,078
Decrease/(increase) in debtors	66,460	(29,724)
Increase/(decrease) in creditors	64,613	(21,487)
Net cash inflow from operating activities	<u>192,245</u>	<u>1,044,022</u>

Reconciliation of net cash flow to movement in net debt

	2010		2009	
	£	£	£	£
(Decrease)/increase in cash in the period	(475,663)		815,572	
Net cash outflow from bank loans	400,000		170,000	
Short term loan	<u>42,527</u>		<u>119,045</u>	
Change in net debt		<u>(33,136)</u>		<u>1,104,617</u>
Net debt at 1 January 2010		(926,406)		(2,031,023)
Net debt at 31 December 2010		<u>(959,542)</u>		<u>(926,406)</u>

Analysis of changes in net debt

	At 1 January 2010 £	Cash flows £	At 31 December 2010 £
Net cash			
Cash in hand and at bank	<u>1,031,376</u>	<u>(475,663)</u>	<u>555,713</u>
Debt			
Debt due within 1 year	<u>(1,957,782)</u>	<u>442,527</u>	<u>(1,515,255)</u>
Net debt	<u>(926,406)</u>	<u>(33,136)</u>	<u>(959,542)</u>

24 Ultimate parent company

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