

307876

**Haulfryn Group Limited**



**Report and Accounts**

**31 October 2004**



# Haulfryn Group Limited



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\* not filed with the Registrar of Companies (non-statutory information)

# Haulfryn Group Limited



## Directors and Professional Advisers

### Board of Directors

Stephen JC Minoprio (Chairman)  
Richard D Minoprio (Deputy Chairman)  
T Leonard Bell FCA (Joint Group Managing Director)  
Rodney P Tucker (Joint Group Managing Director)  
William McCosh CBE  
F Charles Minoprio  
Charles D Pearson C.Eng  
Mrs Emma J Richards

### Registered Office

701 India Buildings, Water Street, Liverpool L2 0NH

### Solicitors

DLA Piper Rudnick Gray Cary UK LLP, India Buildings, Water Street, Liverpool L2 0NH

### Auditors

PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester M2 3PW

### Bankers

The Royal Bank of Scotland plc, 1 Exchange Flags, Liverpool L2 3XN

### Registered Number

307876

# Haulfryn Group Limited

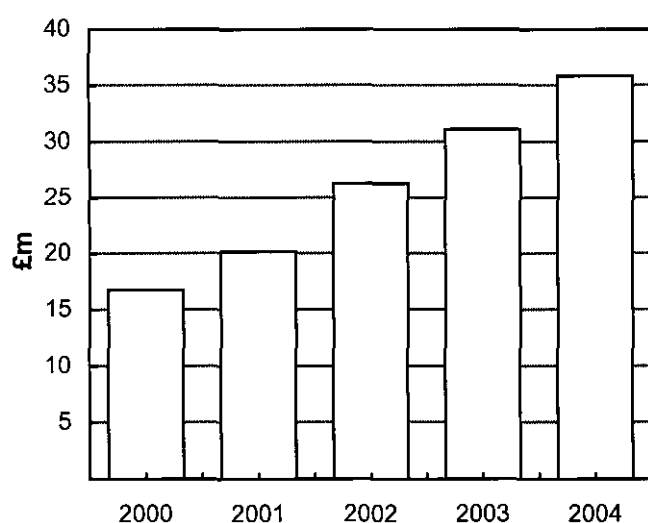


## Year in Brief

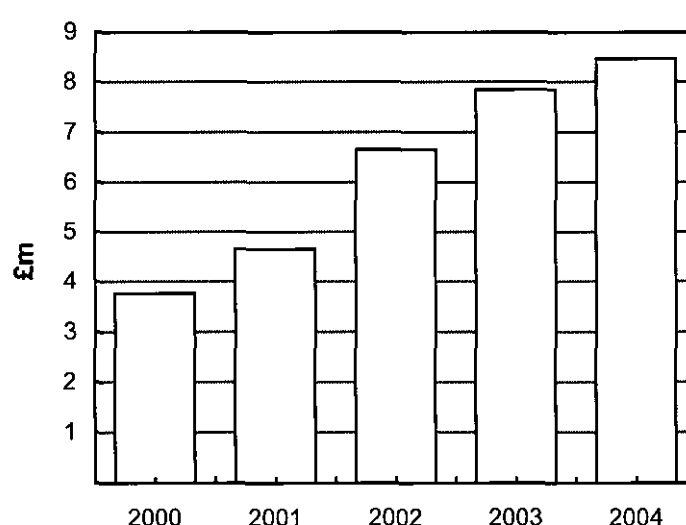
	2004	2003
	£'000	£'000
Turnover	35,827	31,117
Operating profit	9,867	8,891
Profit on ordinary activities before taxation	8,471	7,845
Profit for the financial year after taxation	5,832	5,415
Dividend on ordinary shares	1,872	1,736
Dividend on 'A' ordinary shares	468	434
Shareholders' funds	<u>57,455</u>	<u>53,963</u>
Dividend per ordinary share (pence)	234.0	217.0
Dividend per 'A' ordinary share (pence)	<u>234.0</u>	<u>217.0</u>
Earnings per share (pence)	<u>583.2</u>	<u>541.5</u>

## Financial Highlights

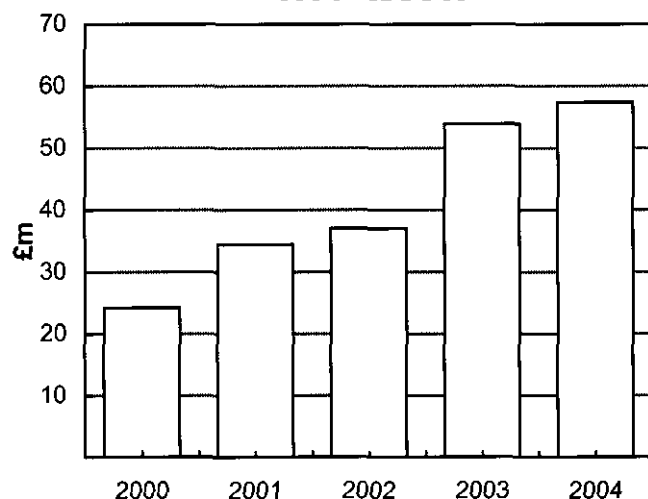
**Turnover**



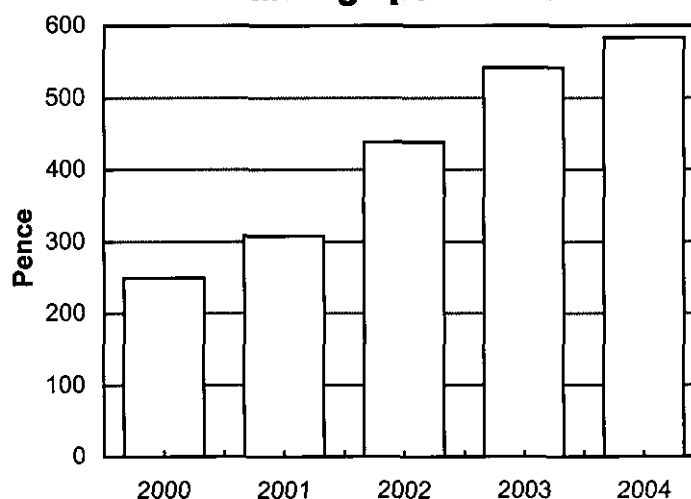
**Profit before tax**



**Net Assets**



**Earnings per Share**



# Haulfryn Group Limited



## Directors' Report

The directors submit their report together with the Group accounts for the year ended 31 October 2004.

### 1 Results and Dividends

The Group profit for the year after taxation amounted to £5,832,000 (2003 - £5,415,000) an increase of 7.7% from the previous year.

The directors recommend a final dividend of 144.0p per ordinary share which, together with the interim dividend already paid of 90.0p, make a total dividend of 234.0p (2003 - 217.0p). The final ordinary dividend, if approved, will be paid on 29th April 2005 to shareholders on the register at 22nd April 2005. No interim 'A' ordinary dividend has been paid during the year, a final dividend of 234.0p will be paid on 29th April 2005. The retained profit transferred to reserves was £2,514,000 (2003 - £3,245,000).

During the year, in order to redistribute the shares amongst family members, the Company purchased 30,000 of its own shares, representing 3% of share capital. A rights issue of 30,000 £1 ordinary shares was made to finance this transaction. In order to effect these transactions a new class of 'B' ordinary shares was created and subsequently cancelled. A dividend of £34.0775 was paid to 'B' ordinary shareholders on 29th March 2004.

### 2 Principal Activities and Future Developments

The principal activities of the Group are the selling of caravan holiday homes and park homes and the provision of caravan park services. The Company will continue to seek acquisition and development opportunities in its existing market.

### 3 Business Review

Details of the performance for the year are shown in the attached accounts. During the year the following transactions were entered into:

i) On the 12th November the Company acquired Edgeley Caravan Park in Surrey.

ii) On the 7th June the Company disposed of land at Tan-Y-Bryn.

iii) On the 20th August the Company disposed of Haulfryn Home Farm.

Since the year end the following events have occurred:

iv) On the 17th December the Company acquired Sounds of the Sea in Porthmadog.

v) On the 21st January 2005 the Company exchanged contracts to acquire Praa Sands Holiday Village near Penzance.

vi) On the 11th February 2005 the Company exchanged contracts to acquire Ocean Cove Holiday Park near Tintagel.

### 4 Charitable Donations

During the year the Company made donations to various local charities amounting to £2,016 (2003 - £882).

### 5 Payment Policy

The Company agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier.

### 6 Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The Company recognises the importance of good communications with employees and the Company makes its employees aware of matters which are likely to affect their interest in and contribution to the Company and their performance.

# Haulfryn Group Limited



## Directors' Report

(Continued)

### 7 Directors and their Interests

The names of the directors who held office during the year, together with details of their beneficial interests in the share capital of the Company, are set out below:

	Number of £1 ordinary shares at 31 October	
	2004	2003
Stephen JC Minoprio	933	875
Richard D Minoprio	66,242	70,876
T Leonard Bell	-	-
Rodney P Tucker	-	-
James A Holland (Resigned 31 October 2004)	-	-
Mrs Carolyn F Lloyd (Resigned 31 October 2004)	50,357	48,246
William McCosh	-	-
F Charles Minoprio	55,092	52,532
Mrs Emma J Richards	3,910	3,610

No director was interested in the 'A' ordinary shares of the Company. Stephen JC Minoprio and Rodney P Tucker retire by rotation and, being eligible, offer themselves for re-election. Charles D Pearson, who was appointed as a director on 1st November 2004, retires and, being eligible, offers himself for re-election.

### 8 Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

### 9 Directors' Responsibilities

*in relation to the accounts*

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit and cash flows of the Group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

By order of the Board

  
T Leonard Bell  
Secretary

17th February 2005

# Haulfryn Group Limited



## Independent Auditors' Report

*to the members of Haulfryn Group Limited*

We have audited the accounts which comprise the Group profit and loss account, the Group and Company balance sheet, the Group cash flow statement, the Group statement of total recognised gains and losses, the Group reconciliation of shareholders funds, the note of Group historical cost profits and losses and the related notes.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Chairman's statement, the Directors' report and the Remuneration Committee report.

### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31 October 2004 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers Ltd*

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

MANCHESTER

17th February 2005

# Haulfryn Group Limited



## Group Profit & Loss Account

for the year ended 31 October 2004

	Note	2004			2003
		Continuing operations			(restated)*
		Existing £'000	Acquisitions £'000	Total £'000	£'000
<b>Turnover</b>		34,311	1,516	35,827	31,117
Change in stocks		2,703	322	3,025	(746)
		37,014	1,838	38,852	30,371
Staff Costs:					
Wages and salaries		5,093	98	5,191	4,336
Social security costs		463	9	472	398
Other pension costs		379	-	379	262
		5,935	107	6,042	4,996
Depreciation and amortisation		1,193	26	1,219	1,094
Other operating costs		20,520	1,204	21,724	15,390
		27,648	1,337	28,985	21,480
<b>Operating profit</b>	1	9,366	501	9,867	8,891
Profit on sale of fixed assets				293	327
<b>Profit on ordinary activities before interest</b>				10,160	9,218
Interest payable	3			1,715	1,393
Interest receivable				(26)	(20)
				1,689	1,373
<b>Profit on ordinary activities before taxation</b>				8,471	7,845
Taxation	5			2,639	2,430
<b>Profit for the financial year</b>				5,832	5,415
Dividends on equity shares	6			3,318	2,170
<b>Retained profit</b>	7			2,514	3,245
<b>Earnings per share (pence)</b>	4			583.2	541.5

The notes on pages 16 to 25 form part of these accounts.

\* 2003 figures have been restated to show profit on sale of fixed assets below operating profit.



# Haulfryn Group Limited



## Statement of Total Recognised Gains & Losses

for the year ended 31 October 2004

	<b>Group</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year after taxation	5,832	5,415
Surplus on revaluation of properties	-	13,605
Total recognised gains and losses relating to the year	<u>5,832</u>	<u>19,020</u>

## Reconciliation of Movement in Shareholders' Funds

for the year ended 31 October 2004

	<b>Group</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Total recognised gains and losses relating to the year	5,832	19,020
Dividends	(3,318)	(2,170)
	<u>2,514</u>	<u>16,850</u>
Issue of Shares	978	-
Net Addition to Shareholders' funds	<u>3,492</u>	<u>16,850</u>
Opening Shareholders' funds	53,963	37,113
Closing Shareholders' funds	<u>57,455</u>	<u>53,963</u>

## Note of Historical Cost Profits & Losses

for the year ended 31 October 2004

	<b>Group</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Reported profit on ordinary activities before taxation	8,471	7,845
Realisation of property revaluation gains of previous years	-	97
Historical cost profit on ordinary activities before taxation	<u>8,471</u>	<u>7,942</u>
Historical cost profit for the year retained after taxation and dividends	<u>2,514</u>	<u>3,342</u>

# Haulfryn Group Limited



## Group Balance Sheet

at 31 October 2004

	Note	2004		2003	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Intangible assets	8		379		402
Tangible assets	9		87,561		78,549
			87,940		78,951
<b>Current Assets</b>					
Stocks	12	6,831		3,834	
Debtors	13	1,555		1,515	
Cash at bank and in hand		2,883		3,671	
		11,269		9,020	
<b>Creditors</b>					
Amounts falling due within one year	14	12,666		9,789	
<b>Net Current Liabilities</b>			(1,397)		(769)
<b>Total Assets less Current Liabilities</b>			86,543		78,182
<b>Creditors</b>					
Amounts falling due after more than one year	15	28,802		24,052	
<b>Provisions for Liabilities and Charges</b>	16	286		167	
			29,088		24,219
<b>Net Assets</b>			57,455		53,963
<b>Capital and Reserves</b>					
Called up share capital	17		1,000		1,000
Share premium	7		2,722		1,772
Revaluation reserve	7		31,042		31,042
Profit and loss account	7		22,691		20,149
<b>Equity Shareholders' Funds</b>			57,455		53,963

The notes on pages 16 to 25 form part of these accounts.

The accounts on pages 11 to 25 were approved by the board on 17th February 2005 and signed on its behalf by

Stephen JC Minoprio

)

) Directors

T Leonard Bell

)

# Haulfryn Group Limited



## Company Balance Sheet

at 31 October 2004

	Note	2004		2003	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Intangible assets	8		257		273
Tangible assets	9		84,132		75,206
Investment in subsidiaries	10		<u>3,269</u>		<u>3,269</u>
			87,658		78,748
<b>Current Assets</b>					
Stocks	12	6,831		3,834	
Debtors	13	1,555		1,515	
Cash at bank and in hand		<u>2,876</u>		<u>3,664</u>	
		11,262		9,013	
<b>Creditors</b>					
Amounts falling due within one year	14	<u>13,249</u>		<u>10,470</u>	
<b>Net Current Liabilities</b>			(1,987)		(1,457)
<b>Total Assets less Current Liabilities</b>			85,671		77,291
<b>Creditors</b>					
Amounts falling due after more than one year	15	28,802		24,052	
<b>Provisions for Liabilities and Charges</b>	16	<u>286</u>		<u>167</u>	
			29,088		24,219
<b>Net Assets</b>			<u>56,583</u>		<u>53,072</u>
<b>Capital and Reserves</b>					
Called up share capital	17		1,000		1,000
Share premium	7		2,722		1,772
Revaluation reserve	7		30,127		30,127
Profit and loss account	7		<u>22,734</u>		<u>20,173</u>
<b>Equity Shareholders' Funds</b>			<u>56,583</u>		<u>53,072</u>

The notes on pages 16 to 25 form part of these accounts.

The accounts on pages 11 to 25 were approved by the board on 17th February 2005 and signed on its behalf by

Stephen JC Minoprio

T Leonard Bell

)  
) Directors

# Haulfryn Group Limited



## Group Cash Flow Statement

at 31 October 2004

	Note	2004		2003	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	18		9,236		10,639
<b>Returns on investments and servicing of finance</b>					
Interest received		26		20	
Interest paid		<u>(1,595)</u>		<u>(1,334)</u>	
			(1,569)		(1,314)
<b>Taxation</b>					
UK Corporation tax paid			(2,562)		(2,269)
<b>Capital expenditure and financial investment</b>					
Purchase of fixed assets		(6,391)		(3,690)	
Sale of tangible fixed assets		<u>331</u>		<u>576</u>	
			(6,060)		(3,114)
<b>Acquisitions and disposals</b>					
Purchase of businesses		-		(5,795)	
Purchase of subsidiary undertakings	11	<u>(2,753)</u>		<u>-</u>	
			(2,753)		(5,795)
<b>Equity dividends paid</b>			(2,286)		(1,760)
Net cash (outflow) before financing			<u>(5,994)</u>		<u>(3,613)</u>
<b>Financing</b>					
Issuing of Ordinary Share Capital	17	983		-	
Repurchase of Ordinary Share Capital	17	(1,027)		-	
Repayment of amounts borrowed		(1,000)		(958)	
Medium term borrowing		<u>6,250</u>		<u>6,800</u>	
			5,206		5,842
<b>(Decrease)/Increase in cash in the period</b>	18		<u>(788)</u>		<u>2,229</u>

# Haulfryn Group Limited



## Accounting Policies

at 31 October 2004

### i. Principal accounting policies

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets, in accordance with applicable Accounting Standards in the United Kingdom on a consistent basis.

### ii. Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the parent Company and of all its subsidiaries and exclude all transactions between Group companies.

The accounting periods of subsidiary undertakings are co-terminus with those of the Company. Results and cash flows of subsidiary undertakings acquired are included from the effective date of acquisition and accounted for by the acquisition method of accounting.

### iii. Convention

The accounts are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

### iv. Tangible Assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is calculated to write off the cost, or valuation, less any residual values, over the expected useful economic lives of the assets concerned as follows:

<b>Asset category</b>	<b>Rate/method</b>
Freehold land and buildings	
- Land and infrastructure	Nil
- Amenity buildings and pitch improvements	4% straight line
- Greenfield park development	Total asset cost less residual value is depreciated over the development period in proportion to sales.
Short leasehold properties	Over remaining period of the lease
Furniture, fittings, plant and machinery	4% to 20% straight line
Motor vehicles	25% reducing balance

### v. Goodwill

Goodwill has been calculated as the difference between the acquisition cost and the aggregate fair values of the identifiable assets and liabilities acquired. In the past goodwill arising on the acquisition of businesses has been written off against reserves in the year of acquisition. For accounting periods commencing 1 November 1998 goodwill arising on the acquisition of businesses is capitalised and amortised on a straight-line basis over a period of 20 years, this period being that from which we expect to derive economic benefit from that asset.

### vi. 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 tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and the results as stated in the financial statements.

Deferred tax is measured 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 that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted.

### vii. Stocks

Stocks are stated at the lower of cost and net realisable value.

### viii. Turnover & profit on ordinary activities

Turnover represents the amount receivable, excluding value added tax, for sales and services rendered in the ordinary course of business and excludes intra-group sales. Sales of caravans and park homes are recognised on completion. Both turnover and profit on ordinary activities derive from a single class of business wholly within the United Kingdom.

### ix. Lease commitments

Rentals under operating lease agreements are charged to profit and loss account in the period to which the lease relates.

### x. Pension costs

Pension costs for current employees are charged to the profit and loss account based on contributions made (Note 21).

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 1 Operating Profit

		<b>Group</b>	
		<b>2004</b>	<b>2003</b>
		<b>£'000</b>	<b>£'000</b>
Operating profit is after charging:			
Auditors' remuneration	- audit	28	28
	- non-audit	11	14
Hire of plant and machinery	- operating leases	31	11
Hire of other assets	- operating leases	123	115

Auditors remuneration dealt with in the Company totalled £25,000 (2003 - £25,000) for audit fees, and £11,000 (2003 - £14,000) for non-audit fees.

### 2 Directors & Employees

		<b>2004</b>	<b>2003</b>
		<b>Number</b>	<b>Number</b>
The average weekly number of employees, excluding directors, was :-			
Group services		31	26
Park operation		235	212
		266	238

Aggregate directors' emoluments, excluding pension contributions, amounted to £720,400 (2003 - £643,200).

The emoluments of the highest paid director were £184,500 (2003- £165,800). Directors' pension details are shown in note 21.

### 3 Interest Payable

		<b>2004</b>	<b>2003</b>
		<b>£'000</b>	<b>£'000</b>
On bank loans, overdrafts and other loans:			
Repayable within five years other than by instalments		205	163
Repayable in more than five years		1,510	1,230
		1,715	1,393

### 4 Earnings per share

		<b>2004</b>	<b>2003</b>
The earnings per share figures were calculated on the following:			
Profit for the financial year (£'000)		5,832	5,415
Weighted average number of shares (Thousands)		1,000	1,000

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 5 Taxation

Analysis of charge in the period:

#### Current Tax

UK Corporation Tax on profits for the period  
Adjustments in respect of previous periods

#### Deferred Tax

Origination and reversal of timing differences (ACA and others)

Factors affecting tax charge for the period:

Profit before taxation

Tax at 30% (2003 - 30%)

Operating costs not deductible for tax purposes

Accelerated capital allowances and other timing differences

Profits taxed at less than 30%

Adjustments to tax charge in respect of prior periods

Tax charge for current period

Group	
2004	2003
£'000	£'000
2,587	2,434
(67)	(8)
2,520	2,426
119	4
2,639	2,430
2004	2003
£'000	£'000
8,471	7,845
2,541	2,354
109	91
(63)	(6)
-	(5)
(67)	(8)
2,520	2,426

### 6 Dividends on Equity Shares

Ordinary shares

Cancelled shares (Note 17)

Paid

Proposed

'A' Ordinary shares

Paid

Proposed

'B' Ordinary shares

Paid (Note 17)

Total dividends

Group	
2004	2003
£'000	£'000
(44)	-
720	560
1,152	1,176
1,828	1,736
-	-
468	434
468	434
1,022	-
3,318	2,170

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 7 Reserves

	Group			Company		
	Share Premium	Revaluation Reserve	Profit and Loss Account	Share Premium	Revaluation Reserve	Profit and Loss Account
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 November 2003	1,772	31,042	20,149	1,772	30,127	20,173
Redemption of Shares	(3)	-	28	(3)	-	28
Issue of Shares	953	-	-	953	-	-
Retained profit for the year	-	-	2,514	-	-	2,533
At 31 October 2004	2,722	31,042	22,691	2,722	30,127	22,734

In accordance with Section 230(3) of Companies Act 1985, no separate profit and loss account is presented for the Company. The profit on ordinary activities for the year after taxation dealt with in the parent Company is made up as follows;

	2004 £'000	2003 £'000
Operating profit	10,451	9,337
Profit on sale of fixed assets	(293)	(327)
Interest charge (net)	(1,689)	(1,373)
Taxation	(2,618)	(2,421)
Profit for the year before equity dividends	5,851	5,216

### 8 Intangible Assets

	Group Goodwill £'000	Company Goodwill £'000
Cost at 1 November 2003 and 31 October 2004	465	317
Amortisation at 1 November 2003	63	44
Charge for the year	23	16
Amortisation at 31 October 2004	86	60
Net Book Value at 31 October 2004	379	257
Net Book Value at 31 October 2003	402	273



# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 9 Tangible Assets

	<b>Group</b>			<b>Company</b>		
	<i>Freehold and Leasehold Land and Buildings</i>	<i>Plant, Equipment and Motor Vehicles</i>	<i>Total</i>	<i>Freehold and Leasehold Land and Buildings</i>	<i>Plant, Equipment and Motor Vehicles</i>	<i>Total</i>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost or Valuation at 1 November 2003	78,865	6,567	85,432	75,546	6,459	82,005
Additions	8,554	2,136	10,690	8,508	2,068	10,576
Disposals	(37)	(876)	(913)	(37)	(876)	(913)
Cost or Valuation at 31 October 2004	87,382	7,827	95,209	84,017	7,651	91,668
Depreciation at 1 November 2003	3,290	3,593	6,883	3,256	3,543	6,799
Charge for the year	471	725	1,196	469	699	1,168
Disposals	-	(431)	(431)	-	(431)	(431)
Depreciation at 31 October 2004	3,761	3,887	7,648	3,725	3,811	7,536
Net Book Value at 31 October 2004	83,621	3,940	87,561	80,292	3,840	84,132
Net Book Value at 31 October 2003	75,575	2,974	78,549	72,290	2,916	75,206

The comparable amounts for freehold land and buildings under the historical cost convention are;

	<b>Group £'000</b>	<b>Company £'000</b>
Cost at 1 November 2003	47,267	45,997
Additions	8,554	8,508
Disposals	(37)	(37)
Cost at 31 October 2004	55,784	54,468
Depreciation at 1 November 2003	3,062	3,038
Charge for the year	453	450
Depreciation at 31 October 2004	3,515	3,488
Net book amount at 31 October 2004	52,269	50,980
Net book amount at 31 October 2003	44,205	42,959

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 10 Investment in subsidiaries

	£'000
Balance brought forward at 1st November 2003	3,269
Additions in the year	2,753
Reduction in cost of investment	(2,753)
Balance carried forward at 31st October 2004	3,269

On the 12th November 2003 the Company acquired Edgeley Caravan Park Limited and Edgeley Farm Limited (note 11). On the 31st December 2003 the net assets and liabilities of the business were hived-up into Haulfryn Group Limited.

### 11 Acquisitions and Disposals

The combined balance sheets of Edgeley Caravan Park Limited and Edgeley Farm Limited on acquisition were as follows:

	Book Value £'000	Fair Value adjustments £'000	Fair Value at acquisition £'000
Tangible Assets	1,759	2,540	4,299
Stock	68	-	68
Debtors and Prepayments	9	-	9
Creditors and Accruals	(1,623)	-	(1,623)
Net Assets acquired	213	-	2,753
Goodwill			-
Consideration including acquisition expenses			2,753
Satisfied by: Cash			2,753

### 12 Stocks

	Group		Company	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Caravans	6,714	3,722	6,714	3,722
Other	117	112	117	112
	6,831	3,834	6,831	3,834

### 13 Debtors

	Group		Company	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Trade debtors	954	1,012	1,009	1,012
Other debtors	85	6	85	6
Prepayments and accrued income	516	497	461	497
	1,555	1,515	1,555	1,515

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 14 Creditors: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Current instalments due on loans	1,500	1,000	1,500	1,000
Trade creditors	2,243	1,320	2,243	1,320
Amounts due to subsidiary undertakings	-	-	585	685
Corporation tax	1,457	1,499	1,457	1,499
Other taxation and social security	155	170	155	170
Accruals and deferred income	5,691	4,190	5,689	4,186
Proposed dividend	1,620	1,610	1,620	1,610
	<u>12,666</u>	<u>9,789</u>	<u>13,249</u>	<u>10,470</u>

Accruals includes £133,000 (2003 - £61,000) of contributions due to be paid to the group's pension schemes.

### 15 Creditors: Amounts falling due after more than one year

	Group & Company	
	2004	2003
	£'000	£'000
Loans:		
Royal Bank of Scotland Loan	25,602	20,852
Loan Notes	<u>3,200</u>	<u>3,200</u>
	<u>28,802</u>	<u>24,052</u>
Bank loans due at 31 October are repayable by instalments as follows:		
After five years	19,694	18,096
Between two and five years	6,831	4,467
Between one and two years	<u>2,277</u>	<u>1,489</u>
	<u>28,802</u>	<u>24,052</u>
Within one year	<u>1,500</u>	<u>1,000</u>
	<u>30,302</u>	<u>25,052</u>

The effective rate payable on the above borrowing has been fixed by use of interest rate swap agreements. The amounts covered and their percentage rates (before bank margin) are as follows;

Year ending 31st October	Amount £'000	%
2004	7,464	5.49
2005	19,428	5.42
2006	21,142	5.44
2007	20,000	5.46
2008	16,000	5.47
2009	15,000	5.47

The loan notes are variable rate unsecured loans repayable between 30th April 2002 and 31st March 2006. On repayment, refinancing arrangements are in place for a variable rate loan linked to LIBOR repayable by instalments over a 15 year term.

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 16 Provisions for Liabilities and Charges

	<b>Group &amp; Company</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
(a) Deferred tax has been fully provided in respect of:		
Accelerated capital allowances	327	189
Short term timing differences	(1)	(22)
Pensions	(40)	-
	<u>286</u>	<u>167</u>
(b) Movements on deferred tax provision in the year were as follows;		
At 1 November 2003	167	
Charged to profit and loss account (Note 5)	119	
At 31 October 2004	<u>286</u>	
(c) No provision for deferred tax has been made in respect of gains which might arise on the disposal of properties at their balance sheet amounts as any material liability is unlikely to crystallise due to the anticipated availability of rollover relief.		

### 17 Share Capital

	<b>Company</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
Ordinary shares of £1 each	800	800
'A' ordinary shares of £1 each	200	200
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	800	800
'A' ordinary shares of £1 each	200	200
	<u>1,000</u>	<u>1,000</u>

'A' ordinary shares may, at any time, be converted to an equal number of ordinary shares and carry equal dividend rights with ordinary shares. In the event of a winding up they have preferential rights on the return of assets. All shares carry equal voting rights and are regarded by the directors as equity interests.

During the year, 30,000 ordinary shares were reclassified as 30,000 'B' ordinary shares. The 'B' ordinary shares entitled the holders to receive, in priority to any other class of shares, a one-off dividend of £34.0775 per share and the sum of 16.25 pence per share on return of capital. In other respects the 'B' ordinary shares had the same rights as ordinary shares. Following payment of the dividend the 30,000 'B' ordinary shares were purchased by the Company at a price of 16.25 pence per share and subsequently cancelled.

Due to the timing of the transaction the reclassified shares were no longer eligible for a final dividend of £1.47 per share (total £44,100) for 2003. An adjustment for this amount, representing the released provision, is shown in Note 6.

A rights issue of 30,000 £1 ordinary shares at a price of £32.77 per share was made to finance the purchase of the 'B' ordinary shares.

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 18 Notes to Group Cash Flow Statement

	2004 £'000	2003 £'000
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	9,867	8,891
Depreciation	1,196	1,071
Amortisation of goodwill	23	23
(Increase)/decrease in stocks	(2,485)	785
(Increase) in debtors	(48)	(471)
Increase in creditors	683	340
Net cash inflow from operating activities	9,236	10,639

	2004 £'000
<b>Reconciliation of net cash flow to movement in net debt</b>	
Decrease in cash in the period	(788)
Cash outflow from decrease in debt	1,000
Cash inflow from increase in debt	(6,250)
Change in net debt resulting from cash flows	(6,038)
Net debt at 1 November 2003	(21,381)
Net debt at 31 October 2004	(27,419)

	At 1 November 2003 £'000	Cash flows £'000	Other changes £'000	At 31 October 2004 £'000
<b>Analysis of net debt</b>				
Cash at bank and in hand	3,671	(788)	-	2,883
Debt due within one year	(1,000)	1,000	(1,500)	(1,500)
Debt due after one year	(24,052)	(6,250)	1,500	(28,802)
	(21,381)	(6,038)	-	(27,419)

### 19 Lease Commitments

At 31 October 2004 the Group had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>		<b>Other</b>	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Operating leases which expire:				
Within one year	-	-	17	47
In the second to fifth years inclusive	-	-	131	75
In over five years	133	57	-	-

The majority of leases of land and buildings are subject to periodic rent reviews.

# Haulfryn Group Limited



## Notes to the Accounts

at 31 October 2004

### 20 Particulars of Subsidiary Undertakings

Particulars of subsidiary undertakings, all of which are wholly owned and consolidated in these financial statements, are as follows:

	<u>Activity</u>	<u>Ordinary shares</u>
Haulfryn Leasing Limited	Dormant	£1
Haulfryn Park Homes Limited	Dormant	£20
Haulfryn Limited (Registered in Scotland)	Dormant	£1
Lley Estates Limited	Dormant	£1
Menai Caravan Parks Limited	Dormant	£1
Harpcombe Limited	Caravan sales and services	£1
Frank Panter (Sites) Limited	Dormant	£1
Frank Panter Limited	Dormant	£1
Eastern Caravan Parks Limited	Dormant	£1
Edgeley Caravan Park Limited	Dormant	£1
Edgeley Farm Limited	Dormant	£1

### 21 Pensions

#### *i. Defined contribution schemes*

The Company makes contributions to defined contribution schemes at rates varying from 4% to 22% of pay plus any additional premiums payable under a remuneration reduction agreement. At the year end 6 directors (2003 - 7 directors) were members of a defined contribution scheme. Contributions in respect of directors amounted to £134,400 (2003 - £120,600) in total and £51,800 (2003 - £21,900) for the highest paid director.

#### *ii. Voluntary pensions*

Additional discretionary pensions are paid to former employees including £7,982 (2003 - £7,483) to a former director.

### 22 Capital Commitments

	<b>Group &amp; Company</b>	
	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Contracts placed for future capital expenditure not provided in the financial statements	<u>2,987</u>	<u>-</u>

### 23 Related Party Transactions

The Company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose related party transactions with undertakings controlled within the Group.

# Haulfryn Group Limited



## Group Financial Record

for the 5 years ended 31 October 2004

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	16,754	20,153	26,273	31,117	35,827
<b>Operating profit</b>	4,776	5,569	7,439	8,891	9,867
<b>Exceptional items</b>	(205)	166	335	327	293
<b>Finance charges</b>	(801)	(1,086)	(1,115)	(1,373)	(1,689)
<b>Total profit before tax</b>	3,770	4,649	6,659	7,845	8,471
<b>Earnings per share</b>	249.9	308.3	438.7	541.5	583.2
<b>Dividend per ordinary share (pence)</b>	100.0	124.0	176.0	217.0	234.0