

Valley Farm Camping Ground Ltd

**Directors' report and financial
statements**

Registered number 464040

Year ended 31 March 2006



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

Principal activity

The principal activity of the company is the operation of a holiday park in the United Kingdom.

Business Review

The company's results for the year comprised: turnover of £ 10,325,000 (2005: £9,167,000); operating profit before interest of £1,367,000 (2005: £1,407,000); and the profit after interest and tax of £824,000 (2005: £937,000).

Trading for the forthcoming financial year is anticipated to be in line with 2006. This assumes that there is no significant change to the underlying economic climate in the United Kingdom, any deterioration to which remains the principal risk to the business.

Dividend

The directors do not recommend the payment of a dividend on ordinary shares (2005: *£nil*). A preference dividend of £700 (2005: £875) was declared and paid.

Employees

The company recognises that the contribution made by its employees is crucial to its success. Substantial investment is therefore made in the training, development and motivation of staff with particular attention to ensuring customer satisfaction and the achievement of high standards of service. The company endorses the application of equal opportunities policies to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation.

Directors and directors' interests

The directors who held office during the period were as follows:

D Vaughan
R Sewell
A Castledine

The interests of the directors as at 31 March 2006 are disclosed in the directors' report of the ultimate parent company. The financial statements of that company can be obtained from the address in note 16.

Directors' report *(continued)*

Political and charitable contributions

The company made no political and charitable contributions during the period (2005: £nil).

Director's declaration

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



D. Vaughan
Director

3rd Floor Swan Court
Waterhouse Street
Hemel Hempstead
Hertfordshire
HP1 1FN

23 November 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 judgments and 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; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of Valley Farm Camping Ground Ltd

We have audited the financial statements of Valley Farm Camping Ground Ltd for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Statement of total recognised gains and losses, the Balance Sheet, the Reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, information given in the Directors' Report is consistent with the accounts. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 financial statements 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.

**Independent auditors' report to the members of Valley Farm Camping
Ground Ltd** *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

23 November 2006

Profit and loss account
 for the year ended 31 March 2006

	<i>Note</i>	2006 £000	2005 as restated £000
Turnover (includes an exceptional credit related to revenue recognition change totalling £208,000 (2005: £nil))	1,2	10,325	9,167
Cost of sales		(5,878)	(4,749)
Gross profit		4,447	4,418
Administration expenses		(3,080)	(3,011)
Operating profit		1,367	1,407
Interest payable and similar charges	6	(1)	(1)
Profit on ordinary activities before taxation	3	1,366	1,406
Tax on profit on ordinary activities	7	(542)	(469)
Retained profit for the financial year		824	937

All results for the current year are derived wholly from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.


Statement of total recognised gains and losses
for the year ended 31 March 2006


	2006 £000	2005 £000
Retained profit for the financial period	824	937
Unrealised surplus arising from the revaluation of fixed assets	-	11,146
	<hr/>	<hr/>
Total recognised gains and losses for the period	824	12,083
	<hr/>	<hr/>

Balance sheet
at 31 March 2006

	Note	2006 £000	2006 £000	2005 as restated £000	2005 as restated £000
Fixed assets					
Tangible assets	8		17,999		18,250
Current assets					
Stocks – finished goods		498		1,075	
Debtors (including £3,002,000 (2005: £1,563,000) due after more than one year)	9	3,447		2,188	
Cash at bank and in hand	10	10		11	
		<u>3,955</u>		<u>3,274</u>	
Creditors: amounts falling due within one year	10	<u>(1,175)</u>		<u>(1,517)</u>	
Net current assets			<u>2,780</u>		<u>1,757</u>
Total assets less current liabilities			<u>20,779</u>		<u>20,007</u>
Creditors: amounts falling due after more than one year (including redeemable preference shares)	11		(14)		(14)
Provisions for liabilities and charges	12		(150)		(202)
Net assets			<u>20,615</u>		<u>19,791</u>
Capital and reserves					
Called up share capital	13		36		36
Revaluation reserve	14		15,487		15,487
Profit and loss account	14		5,092		4,268
Shareholders Funds (comparative year: £14,000 non-equity on the FRS 4 basis)			<u>20,615</u>		<u>19,791</u>

These financial statements were approved by the board of directors on 23/11/06 and were signed on its behalf by:


DAVID VAUGHAN
Director


ROBERT SEWELL
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 March 2006

	2006	2005 as restated
	£000	£000
Profit for the financial year	824	937
Adjustment in respect of revaluation of assets	-	11,146
Retained profit	824	12,083
Effect of adoption of FRS 25 on 31 March 2005	-	(14)
Net addition to shareholders' funds	824	12,069
Opening shareholders' funds (originally £19,805,000 restated for prior year adjustment of £14,000, see note 1)	19,791	7,722
Closing shareholders' funds	20,615	19,791

Note of historical cost profits and losses
for the year ended 31 March 2006

	2006 £000	2005 £000
Reported profit on ordinary activities before taxation	1,366	1,407
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount of land and buildings	51	51
Historical cost profit before taxation	1,417	1,458
Taxation	(542)	(469)
Historical cost profit after taxation	875	989

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date'; and
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and
- FRS 28 'Corresponding amounts'.

FRS 21 'events after the balance sheet date' has had no material effect on the company.

The corresponding amounts on these financial statements are restated in accordance with FRS 25 'financial instruments: presentation and disclosure'.

Basis of preparation

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

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Park Resorts Group Ltd, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with the entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Park Resorts Group Ltd, within which this company is included, can be obtained from the address given in note 16.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	- 15 to 50 years
Plant and machinery	- 3 to 20 years
Caravans	- 10 years
Motor vehicles	- 4 to 5 years

No depreciation is provided on freehold land.

Hire Purchase

Assets sold under hire purchase contracts are included in debtors at cost less amounts received to date. Income is allocated to each year on the basis of the annual interest charge plus principal in equal instalments over the life of the contract.

Stocks

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

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Caravan sales are recognised at the point of sale subject to either full cash receipt or a signed third party finance agreement. Owners' rents are recognised on a straight line basis over the 12 month period to which invoiced amounts relate. Hiring and touring income is recognised in full when holidays are completed. Retail and other income are recognised at the point of sale.

Notes (continued)

2 Segmental information

All turnover was derived from the company's principal activity. All operations occurred within the United Kingdom.

3 Profit on ordinary activities before taxation

	2006 £000	2005 £000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off tangible fixed assets	308	250
Profit on disposal of fixed assets	(7)	(1)
	<u> </u>	<u> </u>

The company's audit fee has been borne by Park Resorts Ltd.

4 Staff numbers and costs

The average number of persons employed by the company during the period, analysed by category, was as follows:

	Number of employees	
	2006	2005
Permanent	26	25
Seasonal	46	45
	<u> </u>	<u> </u>
	72	70
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2006 £000	2005 £000
Wages and salaries	1,026	957
Social security costs	80	79
	<u> </u>	<u> </u>
	1,106	1,036
	<u> </u>	<u> </u>

Notes (continued)

5 Directors emoluments

The cost of directors is borne by Park Resorts Ltd.

No director is a member of a money purchase pension scheme.

6 Interest payable and similar charges

	2006 £000	2005 £000
Finance costs on shares classified as liabilities	1	1

7 Taxation

	2006 £000	2005 as restated £000
UK Corporation tax at 30% (2005: 30 %)	505	449
Prior year adjustments	89	14
	<u>594</u>	<u>463</u>
Deferred taxation (see note 12)	(52)	6
	<u>542</u>	<u>469</u>

The current tax charge for the period is higher (2005: higher) than the standard rate of corporation tax in the UK of 30% (2005: 30%). The differences are explained below:

<i>Current tax reconciliation</i>	2006 £000	2005 £000
Profit on ordinary activities before tax	1,366	1,407
Current tax at 30% (2005: 30%)	410	422
Expenses not deductible for corporation tax	3	2
Depreciation for the period in excess of capital allowances	92	25
Adjustment in respect of prior period	89	14
Current charge for the period	<u>594</u>	<u>463</u>

Notes (continued)

8 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
At cost or valuation				
At beginning of the year	17,584	1,793	721	20,098
Additions	59	76	1	136
Intercompany transfers	-	(11)	-	(11)
Disposals	-	(90)	-	(90)
At end of the year	17,643	1,768	722	20,133
Depreciation				
At beginning of the year	429	925	494	1,848
Charge for period	104	174	30	308
Intercompany transfers	-	(2)	-	(2)
On disposals	-	(20)	-	(20)
At end of the year	533	1,077	524	2,134
Net book value				
At 31 March 2006	17,110	691	198	17,999
At 31 March 2005	17,155	868	227	18,250

Included in freehold land and buildings is land with a value of £13,020,000 (2005: £13,020,000) which is not depreciated.

Freehold land and buildings were valued on 30 November 2004 based on existing use by Charles F Jones & Son LLP, Chartered Surveyors. The surplus arising on valuation has been taken to the revaluation reserve.

Notes (continued)

9 Debtors

	2006	2005 as restated
	£000	£000
Hire purchase debtors	11	24
Trade debtors	301	391
Amounts owed by group undertakings	3,000	1,550
Other debtors	115	97
Prepayments and accrued income	20	55
Taxation and social security	-	71
	<u>3,447</u>	<u>2,188</u>

Amounts falling due in more than one year amounted to £3,002,000 (2005: £1,563,000), consisting of hire purchase debtors £2,000 (2005: £13,000) and £3,000,000 (2005: £1,550,000) owed by group undertakings.

10 Creditors: amounts falling due within one year

	2006	2005 as restated
	£000	£000
Payments received on account	1,059	1,157
Trade creditors	114	42
Accruals and deferred income	2	318
	<u>1,175</u>	<u>1,517</u>

11 Creditors: amounts falling due after more than one year

	2006	2005 as restated
	£000	£000
Shares classified as liabilities	<u>14</u>	<u>14</u>

Notes (continued)

12 Provisions for liabilities and charges

	Taxation including deferred taxation £000
At beginning of the year	202
Charge for the year	(52)
	<hr/>
At end of the year	150
	<hr/> <hr/>

The elements of deferred taxation are as follows:	2006	2005
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	150	202
	<hr/>	<hr/>
Undiscounted provision	150	202
	<hr/>	<hr/>

13 Called up share capital

	2006	2005
	£000	£000
Authorised		
Ordinary shares of £1 each	36	36
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £1 each	36	36
	<hr/>	<hr/>
Shares classified as liabilities (5% cumulative redeemable preference shares of £1 each)	14	14
	<hr/>	<hr/>

The holders of the 5% cumulative redeemable preference shares are entitled, subject to sufficient profits being available, to a fixed cumulative dividend at the rate of 5% per annum on the capital paid. The dividend shall be paid as close to the 1st January and 1st July each year as possible.

On a winding up, the preference shares would rank first in distributing surplus assets among the members and would be entitled to £1 for each preference share held together with a sum equal to any arrears of dividend calculated at the date of return of capital. The holders of preference shares are not allowed to vote upon any resolutions unless the rights attached to the preference shares have been, or have been deemed to be varied without the shareholders consent.

The preference shares may be redeemed at par at any time and at the company's option.

Notes (continued)

14 Reserves

	Revaluation reserve £000	Profit and loss account £000
At beginning of the year	15,487	4,268
Retained profit for the year	-	824
	<hr/>	<hr/>
At end of the period	15,487	5,092
	<hr/>	<hr/>

15 Commitments

- a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2006 £000	2005 £000
Contracted	-	43
	<hr/>	<hr/>

16 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Park Resorts Ltd, a company registered in England and Wales. The ultimate parent company is ABN AMRO Holding N.V., incorporated in The Netherlands.

The largest group in which the results of the company are consolidated is that headed by ABN AMRO Holding N.V, incorporated in The Netherlands. The consolidated accounts of this group are available to the public and may be obtained from ABN AMRO, 250 Bishopsgate, London EC2M 4AA.

The smallest group in which the results of the company are consolidated is that headed by Park Resorts Group Limited (formerly Beach Equity Limited). The consolidated accounts of this group are available to the public and may be obtained from Park Resorts Group Limited, 3rd Floor, Swan Court, Waterhouse Street, Hemel Hempstead, Herts HP1 1FN.