

Register

Company No. 596765 (England and Wales)

King's Chalets Limited
Directors' Report and Financial Statements
for the year ended 31 January 1998



King's Chalets Limited

Company Information

Directors	H W King Esq (Resigned 16 March 1998) Ecorps Managers Limited (Appointed 16 March 1998) J G King Esq G I King Esq Mrs C B King R C Marson Esq T Carlton Esq
Secretary	R C Marson Esq
Company Number	596765 (England and Wales)
Registered Office	2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Auditors	Harris Lipman 2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Business Address	Kings Park Canvey Island Essex SS8 8HE
Bankers	Barclays Bank plc Cheriot House Baxter Avenue Southend-on-Sea Essex SS2 6HG

King's Chalets Limited

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King's Chalets Limited

Directors' Report for the year ended 31 January 1998

The directors present their report and the financial statements for the year ended 31 January 1998.

Principal Activities and Review of the Business

The principal activity of the company is that of operators of a caravan and chalet park.

The company is undertaking major refurbishment work on its chalet accommodation as well as refurbishing and improving the camp facilities. It is anticipated that revenues will increase as a result of this work.

The directors are satisfied with the performance of the company taking into account the difficult trading conditions and the current economic climate.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £123,568 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

Future Developments

The company continues to improve the park with the aim of increasing profitability in the long term.

Directors and their Interests

The directors who served during the year and their interests in the company at the beginning and end of the year were as stated below.

	Class of share	Number of shares	
		1998	1997
H W King Esq	Ordinary shares	184,000	184,000
J G King Esq	Ordinary shares	4,000	4,000
G I King Esq	Ordinary shares	4,000	4,000
Mrs C B King	Ordinary shares	4,000	4,000
R C Marson Esq	Ordinary shares	-	-
T Carlton Esq	Ordinary shares	-	-

Political and Charitable Contributions

During the year the company contributed £2,517 to charities .

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harris Lipman be reappointed as auditors of the company will be put to the Annual General Meeting.

King's Chalets Limited

Directors' Report for the year ended 31 January 1998 (continued)

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 23rd October 1998

.....
J G King Esq
Director

King's Chalets Limited

**Auditors' Report
to the shareholders of King's Chalets Limited**

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of 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 company'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


.....
Harris Lipman
Registered Auditors
2 Mountview Court
310 Friern Barnet Lane
London N20 0YZ

Date: 26th Oct 1998

King's Chalets Limited

Profit and Loss Account
for the year ended 31 January 1998

	Notes	1998 £	1997 £
Turnover	2	4,291,417	4,208,576
Cost of sales		(1,844,368)	(1,847,154)
Gross profit		2,447,049	2,361,422
Administrative expenses		(2,477,877)	(2,856,897)
Other operating income		134,829	127,164
Operating profit	3	104,001	(368,311)
Other interest receivable and similar income	4	49,112	42,447
Interest payable and similar charges	5	(19,966)	(13,471)
Profit on ordinary activities before taxation		133,147	(339,335)
Tax on profit on ordinary activities	6	(9,579)	-
Retained profit for the year	14	£ 123,568	£ (339,335)

There are no acquisitions or discontinued operations during the current or preceding year.

King's Chalets Limited

Statement of Total Recognised Gains and Losses
for the year ended 31 January 1998

	1998 £	1997 £
Profit for the financial year	123,568	(339,335)
Unrealised Loss on revaluation of properties	-	(5,500)
Total recognised gains and losses relating to the year	<u>£ 123,568</u>	<u>£ (344,835)</u>

King's Chalets Limited

Balance Sheet
as at 31 January 1998

	Notes	1998 £	1997 £
Fixed Assets			
Tangible assets	7	6,633,476	6,573,013
Current Assets			
Stocks	8	62,002	73,552
Debtors	9	496,323	568,404
Cash at bank and in hand		37,010	25,157
		<u>595,335</u>	<u>667,113</u>
Creditors: amounts falling due within one year	10	(2,035,616)	(1,860,241)
Net Current Liabilities		<u>(1,440,281)</u>	<u>(1,193,128)</u>
Total Assets less Current Liabilities		<u>5,193,195</u>	<u>5,379,885</u>
Creditors: amounts falling due after more than one year	11	-	(310,258)
		<u>£ 5,193,195</u>	<u>£ 5,069,627</u>
Capital and Reserves			
Called up share capital	12	200,000	200,000
Revaluation reserve	13	5,138,598	5,138,598
Profit and loss account	14	(145,403)	(268,971)
Shareholders' Funds	15	<u>£ 5,193,195</u>	<u>£ 5,069,627</u>

The financial statements were approved by the Board on 23rd October 1998

J G King Esq
Director

G I King Esq
Director

King's Chalets Limited

Cash Flow Statement
for the year ended 31 January 1998

	1998		1997	
	£	£	£	£
Net cash inflow from operating activities		640,366		(169,069)
Returns on investments and servicing of finance				
Interest received	49,112		42,447	
Interest paid	(19,966)		(13,471)	
Net cash inflow from returns on investments and servicing of finance		29,146		28,976
Taxation				
Corporation tax paid (including advance corporation tax)	(1,817)		(4,089)	
Tax paid		(1,817)		(4,089)
Capital expenditure				
Payments to acquire tangible assets	(145,497)		(251,279)	
Receipts from sales of tangible assets	5,450		-	
Net cash outflow from capital expenditure		(140,047)		(251,279)
Net cash inflow before management of liquid resources and financing		527,648		(395,461)
Financing				
Other new long term loans	-		310,258	
Net cash outflow from financing		-		(310,258)
Increase in cash		£ 527,648		£ (85,203)

King's Chalets Limited

Notes to the Cash Flow Statement for the year ended 31 January 1998

1 Reconciliation of operating profit to net cash inflow from operating activities	1998 £	1997 £
Operating profit	104,001	(368,311)
Depreciation of tangible assets	75,102	295,005
Loss on disposal of tangible assets	4,483	-
Decrease in stocks	11,550	12,219
Decrease in debtors	72,081	(22,528)
Increase in creditors due within one year	373,149	(85,454)
Net cash inflow from operating activities	£ 640,366	£ (169,069)

2 Analysis of net funds	1997 £	Cash flow £	Other non-cash changes £	1998 £
Net cash:				
Cash at bank and in hand	25,157	11,853	-	37,010
Bank overdrafts	(642,186)	515,794	-	(126,392)
	(617,029)	527,647	-	(89,382)
Debt:				
Debt due after one year	(310,258)		310,258	-
Net funds	£ (927,287)	£ 527,647	£ 310,258	£ (89,382)

3 Reconciliation of net cash flow to movement in net debt	1998 £	1997 £
Increase in cash in the year	527,647	(85,203)
Transfer of long term debt to creditors	310,258	(310,258)
Movement in net funds in the year	837,905	(395,461)
Opening net debt	(927,287)	(531,826)
Closing net funds	(89,382)	(927,287)

King's Chalets Limited

**Notes to the Financial Statements
for the year ended 31 January 1998**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report.

The company meets its day to day working capital requirements through its bank overdraft facility and borrowings from related companies.

The directors consider that the bank will continue to provide facilities on the basis of significant asset cover and furthermore the related companies will continue to provide their support. In this way the directors consider that the company will continue to operate and have therefore prepared the financial statements on the going concern basis.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Buildings	-	2% Straight line
Plant and machinery	-	25% Straight line/Reducing balance method
Fixtures, fittings and equipment	-	25% Straight line
Motor vehicles	-	25% / 10% Straight line

Investment properties are revalued annually. See note 7 for details.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due for payment.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

	1998 £	1997 £
Operating profit is stated after charging:		
Depreciation of tangible assets	75,102	295,005
Hire of plant and machinery	35,638	18,735
Auditors' remuneration	7,500	7,500
and after crediting:		
Refund of overpaid rates	(30,829)	(23,164)
Amount due in respect of overdeclared output VAT on caravan site charges	(98,814)	-
	<u> </u>	<u> </u>

4. Other Interest Receivable and Similar Income

	1998 £	1997 £
Other interest received	49,112	42,447
	<u> </u>	<u> </u>
	49,112	42,447
	<u> </u>	<u> </u>

Other interest for the year ended 31 January 1998 includes £44,683 in respect of interest charged to customers for late payment. In the previous year this source of income had been disclosed as turnover. Comparatives have been reclassified resulting in a decrease in turnover and an increase in other interest receivable of £37,170 for the previous year.

5. Interest Payable

	1998 £	1997 £
On bank loans and overdrafts	19,966	13,471
	<u> </u>	<u> </u>
	£ 19,966	£ 13,471
	<u> </u>	<u> </u>

6. Taxation

	1998 £	1997 £
Prior years		
U.K. Corporation tax	9,579	-
	<u> </u>	<u> </u>
	£ 9,579	£ -
	<u> </u>	<u> </u>

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

7. Tangible Assets

	Buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 February 1997	6,385,800	818,991	341,161	87,752	7,633,704
Additions	18,190	87,329	31,045	-	136,564
Reclassification	(33,630)	33,630	-	-	-
Disposals	-	(1,000)	-	-	(1,000)
At 31 January 1998	6,370,360	938,950	372,206	87,752	7,769,268
Depreciation					
At 1 February 1997	127,716	562,281	318,657	52,036	1,060,690
Charge for year	(65,282)	139,558	18,291	(17,465)	75,102
At 31 January 1998	62,434	701,839	336,948	34,571	1,135,792
Net book value					
At 31 January 1998	£6,307,926	£ 237,111	£ 35,258	£ 53,181	£ 6,633,476
At 31 January 1997	£6,258,084	£ 256,709	£ 22,504	£ 35,716	£ 6,573,013

One freehold investment property was revalued at £52,500 on 26 September 1994 and the other two at £37,000 each on 17 June 1997 on the basis of an open market valuation for existing use by Fisk-Hyde, Chartered Surveyors. In the opinion of the directors' a total valuation of £126,500 (historical cost - £113,000) is applicable at 31 January 1998.

Land and buildings used by the company for its business activities were revalued at £6,200,000 (historical cost £1,249,568) on 28 June 1996 on the basis of an open market valuation for existing use by Countrywide Surveyors Limited. In the opinion of the company's directors a total valuation of £6,259,300 (including additions during the year amounting to £59,300) is applicable at 31 January 1998. The buildings element of £1,569,947 is depreciated over 50 years. As a result of an overcharge of depreciation in the previous year, an adjustment has been made resulting in a credit of £65,282.

In accordance with SSAP 19, 'Accounting for investment properties', the company's investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties, which is not in accordance with the Companies Act 1985. However, the requirement to depreciate conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

7. Tangible Assets (continued)

If this departure from the Act had not been made, the profit before tax for the financial year would have been reduced by £2,530 on a revalued basis (£2,260 on a historical cost basis), had a depreciation rate of 2% been applied. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

As a result of a change in the rate of depreciation for motor vehicles there is credit in the current year.

8. Stocks

	1998 £	1997 £
Finished goods and goods for resale	62,002	73,552

9. Debtors

	1998 £	1997 £
Trade debtors	171,122	147,044
Amounts owed by related companies	-	349,257
Other debtors	294,689	37,554
Prepayments and accrued income	30,512	44,598
	<u>£ 496,323</u>	<u>£ 568,404</u>

10. Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	126,392	642,186
Trade creditors	183,760	194,786
Corporation tax	106,217	98,455
Other taxes and social security costs	148,944	133,196
Directors' current accounts	48,190	127,770
Amounts owed to related companies	918,732	108,800
Other creditors	153,947	153,550
Accruals and deferred income	349,434	401,498
	<u>£2,035,616</u>	<u>£1,860,241</u>

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

11.	Creditors: amounts falling due after more than one year	1998 £	1997 £
	Loans		
	Wholly repayable within five years	-	310,258
	Loans comprise amounts due to related companies (see note 19)		
12.	Share Capital	1998 £	1997 £
	Authorised		
	200,000 Ordinary shares of £1 each	200,000	200,000
	Allotted, called up and fully paid		
	200,000 Ordinary shares of £1 each	200,000	200,000
13.	Revaluation Reserve	1998 £	1997 £
	Balance brought forward at 1 February 1997	5,138,598	5,144,098
	Revaluation during the year	-	(5,500)
	Balance carried forward at 31 January 1998	£5,138,598	£5,138,598
14.	Profit and Loss Account	1998 £	1997 £
	Accumulated losses at 1 February 1997	(268,971)	70,364
	Retained profit for the year	123,568	(339,335)
	Accumulated losses at 31 January 1998	£(145,403)	£(268,971)

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

15. Reconciliation of Movements in Shareholders' Funds

	1998 £	1997 £
Profit for the financial year	123,568	(339,335)
Other recognised gains and losses	-	(5,500)
Net addition to shareholders' funds	123,568	(344,835)
Opening shareholders' funds	5,069,627	5,414,462
Closing shareholders' funds	<u>£5,193,195</u>	<u>£5,069,627</u>

16. Contingent Liabilities

There were no contingent liabilities except for a cross guarantee dated 1 February 1996 in favour of Barclays Bank plc in respect of the related companies overdrafts amounting to £547,276 (1996 - £403,165) as at 31 January 1998.

17. Directors' Emoluments

	1998 £	1997 £
Remuneration	<u>179,095</u>	<u>239,028</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The highest-paid director	<u>£ 100,000</u>	<u>£ 100,000</u>

The chairman received no emoluments during the year.

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£Nil - £5,000	2	2
£25,001 - £30,000	1	1
£30,001 - £35,000	1	1
£60,001 - £65,000	1	1
	<u> </u>	<u> </u>

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

18. Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	1998 Number	1997 Number
Directors and employees	68	68

Employment costs

	£	£
Wages and salaries	830,533	793,657
Social security costs	65,444	62,067
Other pension costs	33,017	23,788
	<u>£ 928,994</u>	<u>£ 879,512</u>

19. Transactions with Directors (continued)

The following directors had interest free loans during the year. The movements on these loans were as follows:

	Amount 1998 £	Outstanding 1997 £	Maximum in year £
J G King Esq	-	-	61,218
G I King Esq	-	-	20,592

At the year end H W King Esq was owed £48,190 (1997- £127,770)

The financial statements include the following transactions with companies and other organisations in which the directors have beneficial interests:

Organisation	Type of transaction (in Kings Chalets Limited)	Amount 1998 £	Amount 1997 £	Balance due (to)/from organisation as at 31 January £
Autoclassic Limited	Sales	107,862	80,636	
	Management charges receivable	50,000	50,000	
	Fixed assets acquired	47,013	28,300	
	Amount outstanding - 1998			(20,487)
	- 1997			226,674
Kings Aviation Limited	Services acquired	26,122	6,181	
	Amount outstanding - 1998			(13,323)
	- 1997			(5,982)
York Leisure Limited	Sales	65,341	88,586	
	Management charges receivable	54,000	54,000	
	Amount outstanding - 1998			(150,930)
	- 1997			89,766

King's Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1998

19. Transactions with Directors (continued)

Organisation	Type of transaction (in Kings Chalets Limited)	Amount 1998 £	Amount 1997 £	Balance due (to)/from organisation as at 31 January
				£
Design 2 Print Limited	Services acquired	32,372	19,196	
	Amount outstanding - 1998			(13,703)
	Amount outstanding - 1997			(11,682)
Pemican Limited	Amount outstanding - 1998			(140,538)
	Amount outstanding - 1997			(140,538)
Yorkcastle Limited	Amount outstanding - 1998			(577,220)
	Amount outstanding - 1997			(169,720)
Steve's Radio Cars	Services acquired	9,672	6,950	
	Services supplied	9,508	-	
	Amount outstanding - 1998			(2,531)
	Amount outstanding - 1997			(7,322)
The Jack King Charity	Rent received	2,400	2,000	
	Amount outstanding - 1998			(350)
	Amount outstanding - 1997			884

J G King and G I King are directors of and have beneficial interests in all of the above incorporated companies. Mrs S Palmer is a director of and has a beneficial interest in all of the above incorporated companies except Kings Aviation Limited and Design 2 Print Limited.

J G King and G I King are partners in Steve's Radio Cars. H W King and Mrs C B King are trustees of The Jack King Charity.

21. Disclosure of Controlling Interests

The ultimate controlling party is H W King, a former director of the company and a close family member of three directors.