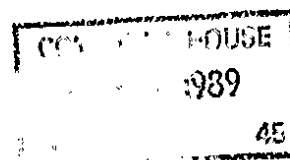


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FRONTIERLAND LIMITED  
DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
31 OCTOBER 1988

Registrar's  
Copy

KIDSONS  
Chartered Accountants



FRONTIERLAND LIMITEDDIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 October 1988.

#### PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the operation of amusement devices. The name of the company was changed to Frontierland Limited on 9 August 1988.

#### PROFITS AND DIVIDENDS

The loss for the year after tax amounted to £118,202. The directors do not recommend payment of a dividend.

#### FINANCIAL POSITION

The company's balance sheet as detailed on page 5, shows a satisfactory position with shareholders funds amounting to £72,332.

#### DIRECTORS

The following were directors of the company at 31 October 1988 and served throughout the year.

L D Thompson  
W G Thompson  
B J Thompson  
A J Thompson  
F C Thompson  
N W R Thompson  
J H J Rowland  
P J Stones  
C Wren-Hilton  
A Kennedy  
P Swindlehurst

The directors retiring at the annual general meeting are Mrs L D Thompson, Mr C Wren-Hilton, Mr A Kennedy and Mrs B J Thompson being eligible, offer themselves for re-election.

#### DIRECTORS' SHAREHOLDING

None of the directors have any beneficial interest in the share capital of the company. The directors' interests in the share capital of the holding company are disclosed in that company's financial statements.

FRONTIERLAND LIMITEDDIRECTORS' REPORT (Continued)

## DIRECTORS' SHAREHOLDING - Continued

Apart from as disclosed in the financial statements of the holding company, the directors interests in the share capital of other group companies was:-

	<u>Blackpool Pleasure Beach (Holdings) Limited</u>	
	<u>'A' Ordinary Shares of £1 each</u>	
	<u>1988</u>	<u>1987</u>
A J Thompson	20,000	20,000
F C Thompson	20,000	20,000
N W R Thompson	20,000	20,000

## AUDITORS

The auditors, Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

By Order of the Board

*(Handwritten Signature)*  
D E CAM

Secretary

Registered Office,

Russell Square House  
10/12 Russell Square  
London WC1B 5AE

16 December 1988

FRONTIERLAND LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 4 to 9 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historic cost convention as modified by the revaluation of freehold land, give a true and fair view of the state of the company's affairs at 31 October 1988 and of its loss for the year ended on that date and comply with the Companies Act 1985.

A Statement of Source and Application of Funds has not been prepared as required by S.S.A.P. 10.

*Kidson*

KIDSONS

Chartered Accountants

Devonshire House  
36 George Street  
Manchester M1 4HA

16 December 1988

FRONTIERLAND LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 1988

	(Note)	<u>1988</u> £	<u>1987</u> £
TURNOVER		1,205,650	1,089,882
Cost of sales		1,099,501	760,805
GROSS PROFIT		<u>106,149</u>	<u>329,077</u>
Administrative expenses		<u>162,351</u>	<u>430,993</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	(2)	(56,202)	(101,916)
Taxation	(5)	62,000	418
RETAINED LOSS FOR THE FINANCIAL YEAR		<u>(118,202)</u> =====	<u>(102,334)</u> =====

STATEMENT OF RETAINED PROFITS

BALANCE AT 1 NOVEMBER 1987 AS PREVIOUSLY REPORTED		(245,771)	(44,395)
PRIOR YEAR ADJUSTMENT	(6)	146,443	47,401
		<u>(99,328)</u>	<u>3,006</u>
LOSS FOR THE YEAR		(118,202)	(102,334)
BALANCE AT 31 OCTOBER 1988		<u>(217,530)</u> =====	<u>(99,328)</u> =====

The notes on pages 6 to 9 form part of these financial statements.

FRONTIERLAND LIMITEDBALANCE SHEET - 31 OCTOBER 1988

	(Note)	£	<u>1988</u>	£	£	<u>1987</u>	£
FIXED ASSETS							
Tangible assets	(7)		1,883,521			589,892	
Investments	(8)		1,000			-	
CURRENT ASSETS							
Stocks	(9)	35,398	-		17,092		
Debtors	(10)	448,295			3,554		
Cash in hand and at bank		6,076	-		6,196		
			<u>489,769</u>		<u>26,842</u>		
CREDITORS: Amounts falling due within one year	(11)	2,234,958			426,200		
NET CURRENT LIABILITIES			(1,745,189)			(399,358)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>139,332</u>			<u>190,534</u>	
PROVISIONS FOR LIABILITIES AND CHARGES	(12)		67,000			-	
			<u>72,332</u>			<u>190,534</u>	
			=====			=====	
CAPITAL AND RESERVES							
Called up share capital	(13)		500			500	
Profit and loss acc.	(14)		(217,530)			(99,328)	
Revaluation reserve	(14)		289,362			289,362	
SHAREHOLDERS' FUNDS			<u>72,332</u>			<u>190,534</u>	
			=====			=====	

These financial statements were approved by the Board of Directors on 16 December 1988.

L D THOMPSON )

) Directors

W G THOMPSON )

The notes on pages 6 to 9 form part of these financial statements.

NOTES ON FINANCIAL STATEMENTS - 31 OCTOBER 1988

## 1. ACCOUNTING POLICIES

## a) Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules as modified by the revaluation of freehold land.

## b) Turnover

Turnover represents the value, excluding Value Added Tax, of goods sold, concession income and services provided to third parties.

## c) Cost of Sales

Cost of sales is stated as all those costs incurred by the company, including depreciation and an appropriate proportion of overheads, in order to bring each product sold to saleable condition and to provide the service to customers.

## d) Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets in equal annual instalments over their estimated useful lives. Amusement devices are written off over two to twelve years during the first two seasons of operation and at the end of that period their useful lives are re-assessed at a period not exceeding ten years.

The following rates have been used:

Freehold land	- Nil
Amusement devices	- 10% - 50%
Plant and machinery	- 15% - 33 1/3%
Motor vehicles	- 20%

## e) Stocks

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

## f) Deferred Taxation

Deferred taxation is provided at current taxation rates under the liability method to take account of timing differences which arise between profits as stated in the financial statements and as computed for tax purposes to the extent that it is probable the liability will crystallise.

## 2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1988</u> £	<u>1987</u> £
The loss on ordinary activities before taxation is stated after charging:		
Depreciation	250,522	95,646
(Profit)/Loss on sale of tangible fixed assets	(327,524)	14,501
Auditors' remuneration	4,000	3,600
Directors' emoluments	30,000	26,750
	=====	=====

## 3. DIRECTORS' EMOLUMENTS

	<u>1988</u> £	<u>1987</u> £
Chairman	1,000	1,000
	=====	=====
Highest paid director	24,000	21,750
	=====	=====
Number of other directors whose emoluments are within the ranges:-		
£0 - £5,000	9	9
	=====	=====

NOTES ON FINANCIAL STATEMENTS - 31 OCTOBER 1988  
(Continued)

## 4. STAFF COSTS

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

	<u>1988</u>	<u>1987</u>
Permanent staff	25	24
Seasonal staff	50	14
	<u>75</u>	<u>38</u>
	=====	=====

(b) The aggregate costs of employment were:-

	<u>£</u>	<u>£</u>
Wages and salaries	471,871	290,651
Social security costs	43,982	26,159
Other pension costs	4,129	-
	<u>519,982</u>	<u>316,810</u>
	=====	=====

## 5. TAXATION -

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
United Kingdom Corporation Tax @ 35%	-	418
Deferred taxation	62,000	-
	<u>62,000</u>	<u>418</u>
	=====	=====

Tax losses are surrendered free of charge to other group companies.

## 6. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to a proportion of theming costs which are now capitalised.

## 7. TANGIBLE FIXED ASSETS

	<u>Freehold Land</u>	<u>Amusement Devices</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>COST OR VALUATION</b>					
1 November 1987	350,005	451,417	436,821	15,411	1,253,654
Additions	185,250	533,678	408,167	-	1,127,095
Group transfers	-	834,441	5,397	-	839,838
Disposals	(5)	(16,000)	(73,718)	-	(89,723)
31 October 1988	535,250	1,803,536	776,667	15,411	3,130,864
<b>DEPRECIATION</b>					
1 November 1987	-	381,314	279,504	2,944	663,762
Charge for the year	-	114,939	131,949	3,634	250,522
Group transfers	-	422,306	-	-	422,306
Disposals	-	(15,999)	(73,248)	-	(89,247)
31 October 1988	-	902,560	338,205	6,578	1,247,343
<b>NET BOOK VALUE</b>					
31 October 1988	535,250	900,976	438,462	8,833	1,883,521
31 October 1987	350,005	70,103	157,317	12,467	589,892

Freehold land is included in the financial statements in accordance with a professional valuation on an existing use basis as at 31st October 1982. The historical cost of the freehold land was £76,143.



FRONTIERLAND LIMITEDNOTES ON FINANCIAL STATEMENTS - 31 OCTOBER 1988  
(Continued)

## 8. INVESTMENTS

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Deposit with fellow subsidiary	1,000 =====	- =====

## 9. STOCKS

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Goods for resale	19,951	14,173
Repair stocks and consumables	15,447	2,919
	<u>35,398</u> =====	<u>17,092</u> =====

## 10. DEBTORS

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Other debtors	5,495	-
Prepayments and accrued income	442,800	3,554
	<u>448,295</u> =====	<u>3,554</u> =====

## 11. CREDITORS: Amounts falling due within one year

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Bank overdraft	-	536
Amounts due to fellow subsidiaries	2,180,746	104,391
Other taxes and social security	-	38,789
Other creditors	16,500	268,061
Accruals	37,712	14,423
	<u>2,234,958</u> =====	<u>426,200</u> =====

## 12. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred taxation</u> <u>£</u>	<u>Other</u> <u>£</u>	<u>Total</u> <u>£</u>
At 1 November 1987	-	-	-
Charge to profit and loss account	62,000	5,000	67,000
At 31 October 1988	<u>62,000</u> =====	<u>5,000</u> =====	<u>67,000</u> =====

Deferred taxation is calculated on all accelerated capital allowances but not on capital gains rolled over or on revaluations.

## 13. CALLED UP SHARE CAPITAL

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Ordinary shares of £1 each		
- Authorised	1,000 =====	1,000 =====
- Issued and fully paid	500 =====	500 =====

FRONTIERLAND LIMITEDNOTES ON FINANCIAL STATEMENTS - 31 OCTOBER 1988  
(Continued)

## 14. RESERVES

	<u>Revaluation</u> £	<u>Profit and Loss</u> £
At 1 November 1987	289,362	(245,771)
Retained (loss) for the year	-	(118,202)
Prior year adjustment	-	146,443
	<u>289,362</u>	<u>(217,530)</u>
	=====	=====

## 15. CAPITAL COMMITMENTS

Capital expenditure authorised up to 31 October 1988 but not provided in these financial statements amounts to £101,400 (1987: £45,000).

## 16. HOLDING COMPANY

The ultimate holding company is Blackpool Pleasure Beach (Holdings) Limited, a company incorporated in England.