

VAUXHALL HOLIDAY PARK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 1998



KERSHEN ~ FAIRFAX
Chartered Accountants

VAUXHALL HOLIDAY PARK LIMITED

COMPANY INFORMATION

Directors	S G Biss J S Biss W S Biss M B Kershen (Non-executive)
Secretary	Hamlyn Consultants
Company number	651467
Registered office	11 Kingsway London WC2B 6XE
Auditors	Kershen Fairfax 11 Kingsway London WC2B 6XE
Business address	Acle New Road Great Yarmouth Norfolk NR30 1TB
Bankers	Midland Bank plc Howardsgate Welwyn Garden City Herts AL8 6BH
Solicitors	Longmores P.O Box 17 24 Castle Street Hertford SG14 1HP

VAUXHALL HOLIDAY PARK LIMITED

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VAUXHALL HOLIDAY PARK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1998

The directors present their report and the financial statements for the year ended 28 February 1998.

Principal activities and review of the business

The company continues to operate a holiday park with caravan and chalet accommodation at Great Yarmouth, Norfolk.

Seasonal trading conditions proved more difficult than the previous year and this, together with the cost of continuing to maintain the standards of facilities and services provided to holiday makers, resulted in the pre-tax profits falling by a third. There has been no material improvement in conditions in the current year.

The directors are aware of the potential impact of the millennium on the company's computer systems and are committed to ensuring that this will not have an adverse effect on the company's operations. A review is under way and the company will undertake whatever measures are necessary to ensure millennium compliance.

Results and dividends

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

The directors do not recommend payment of a dividend on the ordinary share capital.

Preference dividends paid and payable total £ 24,000.

Directors

The following directors have held office during the year:

S G Biss
J S Biss
W S Biss
M B Kershen (Non-executive)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	28 February 1998	1 March 1997
S G Biss	8,334	13,750
J S Biss	8,333	6,250
W S Biss	8,333	5,000
M B Kershen (Non-executive)	-	-

	Preference shares of £1 each	
	28 February 1998	1 March 1997
S G Biss	275,000	275,000
J S Biss	-	125,000
W S Biss	-	100,000
M B Kershen (Non-executive)	-	-

The Preference Shares allotted to J S Biss and W S Biss were transferred to their family trusts on 1st March 1997.

VAUXHALL HOLIDAY PARK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1998

Charitable contributions

During the year the company made charitable donations of £799 (1997 : £1,335).

Auditors

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

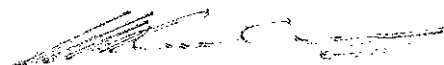
Directors' responsibilities

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;
- 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.

By order of the board



.....
R Hamlyn Consultants

Secretary

.....18.12.98

VAUXHALL HOLIDAY PARK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF VAUXHALL HOLIDAY PARK LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 28 February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kershen Fairfax

Chartered Accountants
Registered Auditor

18.12.98

11 Kingsway
London
WC2B 6XE

VAUXHALL HOLIDAY PARK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 1998

	Notes	1998 £	1997 £
Turnover	2	3,819,083	3,791,339
Cost of sales		(2,223,894)	(2,137,293)
Gross profit		1,595,189	1,654,046
Selling costs		(187,842)	(154,743)
Administrative and establishment expenses		(1,056,064)	(1,050,834)
Operating profit	3	351,283	448,469
Other interest receivable and similar income	4	4,066	4,285
Interest payable and similar charges	5	(148,632)	(131,662)
Profit on ordinary activities before taxation		206,717	321,092
Tax on profit on ordinary activities	6	(57,632)	(216,512)
Profit on ordinary activities after taxation		149,085	104,580
Dividends (including those in respect of non-equity shares)	7	(24,000)	-
Retained profit for the year	16	125,085	104,580

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

VAUXHALL HOLIDAY PARK LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 1998

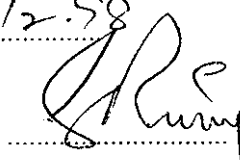
	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	8		4,543,963		4,324,347
Current assets					
Stocks	9	41,750		45,249	
Debtors	10	268,861		171,606	
Cash at bank and in hand		905		493	
		<u>311,516</u>		<u>217,348</u>	
Creditors: amounts falling due within one year	11	<u>(1,659,719)</u>		<u>(1,289,700)</u>	
Net current liabilities			<u>(1,348,203)</u>		<u>(1,072,352)</u>
Total assets less current liabilities			3,195,760		3,251,995
Creditors: amounts falling due after more than one year	12		<u>(1,097,419)</u>		<u>(1,316,371)</u>
Provisions for liabilities and charges	13		<u>(228,632)</u>		<u>(191,000)</u>
			<u>1,869,709</u>		<u>1,744,624</u>
Capital and reserves					
Called up share capital	15	525,000		525,000	
Profit and loss account	16	1,344,709		1,219,624	
Shareholders' funds	17	<u>1,869,709</u>		<u>1,744,624</u>	
Equity interests		1,369,709		1,244,624	
Non-equity interests		500,000		500,000	
		<u>1,869,709</u>		<u>1,744,624</u>	

The financial statements were approved by the Board on

18.12.98



Director



Director

VAUXHALL HOLIDAY PARK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 1998

	1998 £	1997 £
Net cash inflow from operating activities	855,223	890,242
Returns on investments and servicing of finance		
Interest received	4,066	4,285
Interest paid	(148,632)	(101,702)
Non equity dividends paid	(12,000)	-
Net cash outflow for returns on investments and servicing of finance	(156,566)	(97,417)
Taxation	(40,000)	(60,666)
Capital expenditure		
Payments to acquire tangible assets	(773,668)	(449,656)
Receipts from sales of tangible assets	34,835	24,254
Net cash outflow for capital expenditure	(738,833)	(425,402)
Net cash (outflow)/inflow before management of liquid resources and financing	(80,176)	306,757
Financing		
New long term bank loan	919,400	-
Repayment of long term bank loan	(1,015,625)	(92,670)
Capital element of hire purchase contracts	(209,957)	(107,455)
Net cash outflow from financing	(306,182)	(200,125)
(Decrease)/increase in cash in the year	(386,358)	106,632

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 1998

1	Reconciliation of operating profit to net cash inflow from operating activities	1998	1997
		£	£
	Operating profit	351,283	448,469
	Depreciation of tangible assets	547,541	515,136
	Profit on disposal of tangible assets	(28,323)	(14,684)
	Decrease/(increase) in stocks	3,499	(11,320)
	Increase in debtors	(97,255)	(23,295)
	Increase/(decrease) in creditors within one year	78,478	(24,064)
	Net cash inflow from operating activities	855,223	890,242

2	Analysis of net debt	1 March 1997	Cash flow	Other non-cash changes	28 February 1998
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	493	412		905
	Bank overdrafts	(364,065)	(386,770)		(750,835)
		<u>(363,572)</u>	<u>(386,358)</u>		<u>(749,930)</u>
	Debt:				
	Finance leases	(509,528)	209,957	-	(299,571)
	Debts falling due within one year	(98,865)	(6,255)	-	(105,120)
	Debts falling due after one year	(1,043,625)	96,225	-	(947,400)
		<u>(1,652,018)</u>	<u>299,927</u>	<u>-</u>	<u>(1,352,091)</u>
	Net debt	(2,015,590)	(86,431)	-	(2,102,021)

3	Reconciliation of net cash flow to movement in net debt	1998	1997
		£	£
	(Decrease)/increase in cash in the year	(386,358)	106,632
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	299,927	(212,646)
	Movement in net debt in the year	(86,431)	(106,014)
	Opening net debt	(2,015,590)	(1,909,576)
	Closing net debt	(2,102,021)	(2,015,590)

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Tangible fixed assets and depreciation

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

Site installations and buildings	4% Straight line
Caravans & Chalets	15% Straight line (5% Chalets)
Fixtures, fittings & equipment	10% Straight line (20% Arcade machines & office)
Motor vehicles	20% Straight line

No depreciation is provided in respect of freehold land.

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year to a defined contribution scheme.

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.

2 Turnover

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

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

3	Operating profit	1998	1997
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	547,541	515,136
	Operating lease rentals		
	- Plant and machinery	42,141	47,006
	- Other assets	21,090	25,741
	Auditors' remuneration	10,500	9,600
	and after crediting:		
	Profit on sale of tangible assets	28,323	14,684
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	1998	1997
		£	£
	Bank interest	4,066	4,285
		<u> </u>	<u> </u>
5	Interest payable	1998	1997
		£	£
	On bank loans and overdrafts	19,169	14,616
	On loans repayable after 5 years	94,654	94,750
	Hire purchase interest	34,809	16,564
	On overdue tax	-	232
	Other short term interest	-	5,500
		<u> </u>	<u> </u>
		148,632	131,662
		<u> </u>	<u> </u>
6	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 24%)	20,000	25,512
	Deferred taxation	37,632	191,000
		<u> </u>	<u> </u>
		57,632	216,512
		<u> </u>	<u> </u>

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

7	Dividends	1998 £	1997 £
	Dividends on non-equity shares:		
	Preference interim paid	12,000	-
	Preference final payable	12,000	-
		<hr/>	<hr/>
		24,000	-
		<hr/>	<hr/>

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

8 Tangible fixed assets

	Freehold land	Site installations and buildings	Caravans & Chalets	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 March 1997	50,018	2,897,724	3,348,488	1,325,937	316,857	7,939,024
Additions	-	189,913	-	482,078	101,677	773,668
Disposals	-	-	(16,000)	(17,000)	(72,954)	(105,954)
At 28 February 1998	50,018	3,087,637	3,332,488	1,791,015	345,580	8,606,738
Depreciation						
At 1 March 1997	-	482,129	2,322,217	559,831	250,500	3,614,677
On disposals	-	-	(15,542)	(17,000)	(66,901)	(99,443)
Charge for the year	-	123,523	214,133	165,229	44,656	547,541
At 28 February 1998	-	605,652	2,520,808	708,060	228,255	4,062,775
Net book value						
At 28 February 1998	50,018	2,481,985	811,680	1,082,955	117,325	4,543,963
At 28 February 1997	50,018	2,415,595	1,026,271	766,106	66,357	4,324,347

Included above are assets held under finance leases or hire purchase contracts as follows:

	Caravans & Chalets	Motor vehicles	Total
	£	£	£
Net book values			
At 28 February 1998	394,964	31,980	426,944
At 28 February 1997	704,112	-	704,112
Depreciation charge for the year			
28 February 1998	70,984	7,995	78,979
28 February 1997	105,384	-	105,384

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

9 Stocks	1998 £	1997 £
Goods for resale	41,750	45,249
10 Debtors	1998 £	1997 £
Trade debtors	20,366	21,018
Other debtors	186,457	76,427
Prepayments and accrued income	62,038	74,161
	268,861	171,606
11 Creditors: amounts falling due within one year	1998 £	1997 £
Bank loans and overdrafts	855,955	462,930
Net obligations under finance lease and hire purchase contracts	149,552	236,782
Trade creditors	220,284	214,778
Corporation tax	(937)	25,062
Other taxes and social security costs	57,905	52,201
Directors' current accounts	8,434	15,104
Other creditors	48,538	-
Accruals and deferred income	307,988	282,843
Dividend payable	12,000	-
	1,659,719	1,289,700

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

12 Creditors: amounts falling due after more than one year	1998 £	1997 £
Bank loans	947,400	1,043,625
Net obligations under finance leases and hire purchase agreements	150,019	272,746
	<u>1,097,419</u>	<u>1,316,371</u>
Analysis of loans		
Not wholly repayable within five years by instalments:	547,400	-
Wholly repayable within five years	505,120	1,142,490
	<u>1,052,520</u>	<u>1,142,490</u>
Included in current liabilities	(105,120)	(98,865)
	<u>947,400</u>	<u>1,043,625</u>
Loan maturity analysis		
Between one and two years	28,000	-
Between two and five years	-	58,720
In five years or more	919,400	984,905
	<u>947,400</u>	<u>1,043,625</u>
A bank business development loan amounting to £939,800 (£74,400 included in current liabilities) is repayable over 13 years in monthly instalments of £6,200. The attached interest rate is 2% over base.		
A bank loan amounting to £58,720 (£30,720 included in current liabilities) is repayable in monthly instalments of £2,560. The attached interest rate is 3% over base.		
The loans and overdrafts are secured by a legal mortgage on the company's freehold property, a fixed charge over book debts and a floating charge over the remaining company assets.		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	168,414	256,665
Repayable between one and five years	157,817	309,613
	<u>326,231</u>	<u>566,278</u>
Finance charges and interest allocated to future accounting periods	(26,660)	(56,750)
	<u>299,571</u>	<u>509,528</u>
Included in liabilities falling due within one year	(149,552)	(236,782)
	<u>150,019</u>	<u>272,746</u>

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 March 1997	191,000
Profit and loss account	37,632
	<hr/>
Balance at 28 February 1998	228,632
	<hr/>

Deferred tax is provided at 21% (1997 - 33%) analysed over the following timing differences:

	Not provided 1998 £	1997 £	Provided 1998 £	1997 £
Accelerated capital allowances	133,560	117,515	228,632	191,000
	<hr/>	<hr/>	<hr/>	<hr/>

14 Pension costs

The company operates a defined contribution scheme and the related pension cost is charged to the profit and loss account on the basis of contributions payable.

15 Share capital	1998 £	1997 £
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
500,000 Preference shares of £1 each	500,000	500,000
	<hr/>	<hr/>
	525,000	525,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000
500,000 Preference shares of £1 each	500,000	500,000
	<hr/>	<hr/>
	525,000	525,000
	<hr/>	<hr/>

The preference shares carry the right to a fixed cumulative dividend at a rate 1% below base rate. On a winding up, they carry the right to a payment of dividend arrears and repayment of capital in priority to the ordinary shareholders. The shares confer no right to vote or other rights.

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 1997	1,219,624
Retained profit for the year	125,085
	<u>1,344,709</u>
Balance at 28 February 1998	<u>1,344,709</u>

17 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	149,085	104,580
Dividends	(24,000)	-
	<u>125,085</u>	<u>104,580</u>
Net addition to shareholders' funds	125,085	104,580
Opening shareholders' funds	1,744,624	1,640,044
	<u>1,869,709</u>	<u>1,744,624</u>
Closing shareholders' funds	<u>1,869,709</u>	<u>1,744,624</u>

18 Financial commitments

At 28 February 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1998	1997	1998	1997
	£	£	£	£
Expiry date:				
Between two and five years	-	-	30,722	29,318
In over five years	18,000	18,000	-	-
	<u>18,000</u>	<u>18,000</u>	<u>30,722</u>	<u>29,318</u>

19 Capital commitments

	1998 £	1997 £
At 28 February 1998 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>220,000</u>	<u>180,000</u>

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

20 Directors' emoluments	1998 £	1997 £
Emoluments for qualifying services	216,651	236,522
Company pension contributions to money purchase schemes	27,004	27,004
	<u>243,655</u>	<u>263,526</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1997 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	87,400	88,825
Company pension contributions to money purchase schemes	-	19,504
	<u>-</u>	<u>19,504</u>

21 Transactions with directors

The following director had an interest free loan during the year. The movements on this loan are as follows:

	Amount outstanding 1998 £	1997 £	Maximum in year £
J S Biss	<u>92,989</u>	<u>-</u>	<u>150,000</u>

There were no specific repayment terms. This loan was in contravention of the Companies Act 1985 but was repaid in full after the year-end.

VAUXHALL HOLIDAY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1998

22 Employees

Number of employees

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

	1998 Number	1997 Number
Site service	87	76
Office and management	10	10
	<u>97</u>	<u>86</u>

Employment costs

	£	£
Wages and salaries	975,404	973,013
Social security costs	77,792	79,710
Other pension costs	38,682	35,728
	<u>1,091,878</u>	<u>1,088,451</u>

23 Related party transactions

The company grants concessions for various service outlets on the site, some of which are operated by members of the Biss family.

During the year the company made an advance to a member of the family, Mrs J. S. Reid. The amount outstanding at the year end was £32,437 (1997- £20,891).

In addition, there was an amount due from Mrs M. Biss of £13,036 at the year end (1997- nil), for concession charges.

During the year the company incurred consultancy fees of £17,100, (1997 - £ 19,157), payable to Hamlyn Consultants, a company controlled by a non-executive director of Vauxhall Holiday Park Ltd.