

Report of the Directors and
Financial Statements for the Year Ended 31 October 2003
for
Hammerton Caravan Group Limited



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for the Year Ended 31 October 2003

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Hammerton Caravan Group Limited

Report of the Directors **for the Year Ended 31 October 2003**

Directors

The directors for the year under review were:

Dr S K Hammerton Chairman

Mrs D S Adams

The directors submit their report together with the financial statements of the group for the year ended 31 October 2003.

Financial results and dividends

	£
Profit for the year after tax	175,055
Dividends	25,000

Retained profit for the year	150,055
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Retained profits brought forward	2,667,210
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	<u>2,817,265</u>
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Dividends

No interim dividends were paid during the year to 31 October 2003.

The directors recommend final dividends per share as follows:

Ordinary £1 shares	25p
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The total distribution of dividends for the year ended 31 October 2003 will be £25,000.

Review of the business

The principal activities of the group in the year under review were those of the running of caravan parks, the sale of caravans and the operation of trading concessions.

The result for the year and financial position of the group are as shown in the annexed financial statements.

Both Parks continued to trade well. The sales at Brightlingsea continued and the Park is almost full. Rental income more than covers the operation costs. Work continued to improve the quality of Dovercourt, with considerable expenditure on the replacement of worn out assets.

The Group is in a very strong financial position and has built up cash reserves. All developments and capital enhancements have been funded from cash flow.

All credit is due to the staff. Their enthusiasm and commitment to providing the highest level of service to our customers ensures our future success.

Fixed assets

In the opinion of the directors, the market value of the Parks is in excess of the book values. Details of the movements in fixed assets during the year are set out in Note 12.

Hammerton Caravan Group Limited

Report of the Directors **for the Year Ended 31 October 2003**

Directors

The directors and their interests in the £1 ordinary shares of the company were as follows:

	31.10.03	31.10.02
Dr S K Hammerton	36,967	36,967
Dr S K Hammerton - as Trustee	36,000	36,000
Mrs D S Adams	26,272	26,272

The shares held by Dr S K Hammerton as Trustee are held jointly with J W Denton, who is closely connected with the auditors.

Mrs D S Adams retires by rotation at the Annual General Meeting and, being eligible, offers herself for re-election.

Statement of 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 the group and of the profit or loss of the group 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 1995. 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Thornton Springer be re-appointed as auditors of the company, in accordance with Section 385 of the Companies Act 1985.

By Order of the Board

B J Tye
Secretary

Date:


22/2/04

**Report of the Auditors to the Shareholders of
Hammerton Caravan Group Limited**

We have audited the financial statements of Hammerton Caravan Group Limited for the year ended 31 October 2003 on pages four to seventeen. These financial statements have been prepared under the historical cost convention and the accounting policies set out on 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 auditors' 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 on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 with the company is not disclosed.

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

Basis of audit opinion

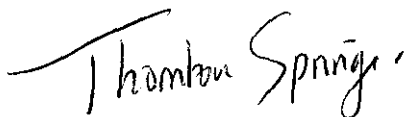
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 affairs of the company and the group as at 31 October 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Thornton Springer
Chartered Accountants
Registered Auditors
67 Westow Street
Upper Norwood
London SE19 3RW**



Date:**3.1.MAR.2004**

Hammerton Caravan Group Limited
Consolidated Profit and Loss Account
for the Year Ended 31 October 2003

	Notes	2003 £	2002 £
Turnover	2	3,028,667	3,046,843
Cost of sales		2,240,897	2,329,015
Gross profit		778,770	717,828
Administrative expenses		655,362	543,168
Other operating income	6	132,408 66,311	174,660 52,897
Operating profit	2, 3	198,719	227,557
Interest receivable and similar income	7	57,743	61,513
Interest payable and similar charges	8	256,462 15	289,070 873
Profit on ordinary activities before taxation		256,447	288,197
Tax on profit on ordinary activities	9	81,392	70,067
Profit for the financial year after taxation		175,055	218,130
Dividends	11	25,000	-
Retained profit for the year for the group		150,055	218,130
Retained profit brought forward		2,667,210	2,449,080
Retained Profit carried forward		£2,817,265	£2,667,210

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current and previous years.

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the course of the current and previous years.

The notes form part of these financial statements

Hammerton Caravan Group Limited
Consolidated Balance Sheet

31 October 2003

	Notes	<u>2003</u>		<u>2002</u>	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,569,134		2,613,022
Current assets					
Stocks	14	158,374		268,473	
Debtors	15	495,106		471,117	
Cash at bank and in hand		324,108		68,854	
		977,588		808,444	
Creditors: amounts falling due within one year	16	562,457		587,256	
Net current assets			415,131		221,188
Total assets less current liabilities			2,984,265		2,834,210
Provisions for liabilities and charges	17		42,000		42,000
			2,942,265		2,792,210
Capital and reserves					
Called up share capital	18		100,000		100,000
Capital redemption reserve	19		25,000		25,000
Profit and loss account			2,817,265		2,667,210
Shareholders' funds	22		£2,942,265		£2,792,210



 S K Hammerton - director



 Mrs D S Adams - director

Approved by the Board on


 22 March 2004

The notes form part of these financial statements

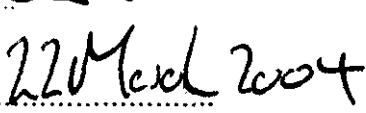
Hammerton Caravan Group Limited
Company Balance Sheet

31 October 2003

	Notes	<u>2003</u>		<u>2002</u>	
		£	£	£	£
Fixed assets					
Tangible assets	12		11,788		11,788
Investments	13		1,364,464		1,305,687
			<u>1,376,252</u>		<u>1,317,475</u>
Current assets					
Debtors	15	-	-	-	-
Cash at bank and in hand		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	16	38,623		13,923	
		<u>38,623</u>		<u>13,923</u>	
Net current liabilities			(38,623)		(13,923)
			<u>£1,337,629</u>		<u>£1,303,552</u>
Capital and reserves					
Called up share capital	18		100,000		100,000
Capital redemption reserve	19		25,000		25,000
Profit and loss account			1,212,629		1,178,552
			<u>£1,337,629</u>		<u>£1,303,552</u>
Shareholders' funds			<u>£1,337,629</u>		<u>£1,303,552</u>


 S K Hammerton - director


 Mrs D S Adams - director

Approved by the Board on 

The notes form part of these financial statements

Hammerton Caravan Group Limited**Consolidated Cash Flow Statement
for the Year Ended 31 October 2003**

	Notes	2003		2002	
		£	£	£	£
Net cash inflow from operating activities	1	364,016		437,321	
Return on investments and servicing of finance					
H P interest received		57,743		61,513	
Other interest received		-		-	
Interest paid		(15)		(873)	
Dividends paid		-		-	
			57,728		60,640
Taxation					
Corporation tax paid			(77,449)		(55,968)
Capital expenditure					
Payments to acquire tangible fixed assets		(157,729)		(415,353)	
Receipts from sales of tangible fixed assets		68,688		91,743	
			(89,041)		(323,610)
Increase in cash in the period	2, 3		£255,254		£118,383

The notes form part of these financial statements

Hammerton Caravan Group Limited

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 October 2003

1.	Reconciliation of operating profit to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit	198,719	227,557
	Depreciation charges	160,700	162,436
	Profit on disposal of fixed assets	(27,771)	(27,682)
	Decrease in stocks	110,099	44,928
	(Increase)/Decrease in debtors	(23,989)	62,034
	Decrease in creditors	(53,742)	(31,952)
		<hr/>	<hr/>
	Net cash inflow from operating activities	364,016	437,321
		<hr/>	<hr/>
2.	Reconciliation of net cash flow to movement in net funds (Note 3)		
	Increase in cash in the period	255,254	118,383
		<hr/>	<hr/>
	Change in net funds resulting from cash flows	255,254	118,383
		<hr/>	<hr/>
	Movement in net funds in the period	255,254	118,383
	Net funds/(debt) at 1 November	68,854	(49,529)
		<hr/>	<hr/>
	Net funds at 31 October	324,108	68,854
		<hr/>	<hr/>
3.	Analysis of changes in net funds		
		<u>1.11.02</u>	<u>Cash flow</u>
		£	£
	Net cash:		
	Cash at bank and in hand	68,854	255,254
		<hr/>	<hr/>
	Total	68,854	255,254
		<hr/>	<hr/>
	Analysed in Balance Sheet		
	Cash at bank and in hand	68,854	324,108
		<hr/>	<hr/>
		68,854	324,108
		<hr/>	<hr/>

The notes form part of these financial statements

Hammerton Caravan Group Limited
Notes to the Financial Statements
for the Year Ended 31 October 2003

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Consolidation

The consolidated accounts include the accounts of all of the subsidiary undertakings made up to the 31 October 2003. Intra-group sales and profits are eliminated on consolidation. The company has not presented its own profit and loss account as permitted by Section 228(7) of the Companies Act 1995.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, apart from freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, which is reviewed annually. The applicable rates are as follows:

Short leasehold property	- Premium	3.3%	per annum on cost
	- Improvements	4% to 6.25%	per annum on cost rates
Freehold improvements			
Buildings	-	4% to 10%	per annum on cost
Swimming pool	-	6.7%	per annum on cost
Vehicles	-	25%	per annum on written down value
Plant and machinery	-	10%	per annum on cost or written down value

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying values may not be recoverable

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The group operates a defined contribution pension scheme for its employees. All pension contributions are charged to the Profit and Loss Account as incurred. Monies are invested in third party pension schemes which provide benefits on a money purchase basis.

Hire purchase finance

Interest on hire purchase loans is credited to the profit and loss account over the lifetime of each contract, based on the capital amount still due from time to time. The capital element of the future payments is treated as an asset.

Contracted sales orders

These are brought into the accounts when an order has been signed and a material 'non returnable' deposit, or full payment has been received.

Hammerton Caravan Group Limited

Notes to the Financial Statements for the Year Ended 31 October 2003

2. **Turnover and operating profit**

An analysis by class of business of turnover and operating profit is given below:

	Turnover		Operating Profit	
	2003	2002	2003	2002
	£	£	£	£
Caravan parks income	1,162,610	1,065,512	65,701	15,514
Caravan and accessory sales	1,380,030	1,504,917	146,222	211,331
Concessions	486,027	476,414	(79,515)	(52,185)
	<u>3,028,667</u>	<u>3,046,843</u>	<u>132,408</u>	<u>174,660</u>
Other operating income			66,311	52,897
Operating profit			<u>198,719</u>	<u>227,557</u>

3. **Operating profit is stated after charging/(crediting):**

	£	£
Depreciation of tangible fixed assets owned by the company	160,700	162,436
Profit on disposal of tangible fixed assets	(27,771)	(27,682)
Directors' remuneration (note 4)	204,819	148,792
Auditors' remuneration	16,255	14,540

4. **Directors' remuneration excluding pension contributions**

Chairman and highest paid director	141,683	95,058
Others	no.	no.
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-
	<u>£</u>	<u>£</u>

Director's pension contributions to money purchase schemes	9,934	10,089
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The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
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5. **Employees**

The average weekly number of employees during the year was made up as follows:

Office and management	13	13
Sales	17	15
Site maintenance	51	76
	<u>81</u>	<u>104</u>

Hammerton Caravan Group Limited

Notes to the Financial Statements for the Year Ended 31 October 2003

	2003	2002
5. Employees (continued)		
Staff costs during the year amounted to:	£	£
Wages and salaries	696,670	595,718
Social security costs	71,786	61,089
Other pension costs	28,015	26,692
	<hr/>	<hr/>
	796,471	683,499
	<hr/>	<hr/>
6. Other operating income	£	£
Profit on disposal of tangible fixed assets (hire fleet caravans)	27,771	27,682
Consultancy	35,680	22,355
Property rental	2,860	2,915
	<hr/>	<hr/>
	66,311	52,897
	<hr/>	<hr/>
7. Interest receivable and other income	£	£
HP Interest received	52,039	59,197
Other interest received	5,704	2,316
	<hr/>	<hr/>
	57,743	61,513
	<hr/>	<hr/>
8. Interest payable	£	£
On bank loans and overdrafts and other loans repayable within five years	15	873
	<hr/>	<hr/>
	15	873
	<hr/>	<hr/>
9. Taxation		
Analysis of the tax charges		
The tax charge on the profit on ordinary activities for the year was as follows:		
	£	£
Current tax:	79,990	76,047
Adjustment for previous years	1,402	(1,980)
	<hr/>	<hr/>
Total current tax	81,392	74,067
Deferred tax	-	(4000)
	<hr/>	<hr/>
Tax on profit on ordinary activities	81,392	70,067
	<hr/>	<hr/>
UK Corporation tax has been charged at 22.7% (2002 : 23.2%)		

Hammerton Caravan Group Limited

Notes to the Financial Statements
for the Year Ended 31 October 2003

9. Taxation (continued)

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2003	2002
	£	£
Profit on ordinary activities before tax	256,447	288,197
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 – 30%)	76,934	86,459
Effects of:		
Permanent disallowables	31,367	11,955
Under/(over) provided in prior year	1,402	(1,980)
Small companies rate	(28,311)	(22,367)
Current tax charge	81,392	74,067

10. Operating leases

The group has a lease on land, which runs to 8 November 2019. The current annual rental is £25,000 (2002 £24,723).

11. Dividends

	The Company	
	2003	2002
	£	£
Equity shares		
Final – ordinary £1 shares	25,000	-

Hammerton Caravan Group Limited

Notes to the Financial Statements for the Year Ended 31 October 2003

12. Tangible fixed assets

	Freehold property and improvements	Short leasehold property and improvements	Plant and machinery	Total
The Group	£	£	£	£
Cost				
At 1 November 2002	2,719,763	442,121	632,641	3,794,525
Additions	84,044	12,745	60,940	157,729
Disposals	-	-	(57,814)	(57,814)
At 31 October 2003	2,803,807	454,866	635,767	3,894,440
Depreciation				
At 1 November 2002	750,715	159,070	271,718	1,181,503
Charge for the year	83,869	19,984	56,847	160,700
Eliminated on Disposals	-	-	(16,897)	(16,897)
At 31 October 2003	834,584	179,054	311,668	1,325,306
Net book value				
31 October 2003	1,969,223	275,812	324,099	2,569,134
31 October 2002	1,969,048	283,051	360,923	2,613,022

	Freehold property and improvements
The Company	£
Cost 31 October 2003/ 1 November 2002	11,788
Accumulated depreciation 31 October 2003/ 1 November 2002	-
Net Book Value	
31 October 2003	11,788
31 October 2002	11,788

Hammerton Caravan Group Limited

Notes to the Financial Statements
for the Year Ended 31 October 2003

13. Fixed Asset Investments

The Company

a) Shares	2003	2002
	£	£
Investment in subsidiaries	1,200	1,200
Less: amounts written off	-	(1,000)
	<hr/>	<hr/>
	1,200	200
	<hr/>	<hr/>
b) Long term finance	£	£
Amounts due from subsidiaries	1,363,264	1,305,687
	<hr/>	<hr/>

	Class of shares held	Principal activities
The subsidiaries are as follows:		
Hammerton Leisure Limited	Ordinary	Operates caravan park and retail caravan sales
Brightlingsea Haven Limited	Ordinary	Operates caravan park and retail caravan sales

These are all wholly owned by Hammerton Caravan Group Limited.

The company and all the subsidiaries are incorporated in Great Britain.

Hammerton Caravan Group Limited

Notes to the Financial Statements for the Year Ended 31 October 2003

14. Stocks	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Caravans and accessories	140,969	250,635	-	-
Consumables	17,405	17,838	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	158,374	268,473	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
15. Debtors	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	355,966	438,427	-	-
Other debtors, prepayments and accrued income	53,140	32,690	-	-
Loans	86,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	495,106	471,117	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Trade debtors include £313,094 (2002:£348,991) relating to hire purchase finance of which £250,345 (2002:£270,380) falls due after more than one year. The original cost of the assets sold on hire purchase amounted to £370,983 (2002:£413,243).

16. Creditors: amounts falling due within one year	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Trade creditors	145,276	180,860	-	-
Payments on account & deferred income	162,212	225,534	-	-
Other creditors and accruals	100,208	49,030	-	-
Dividends Proposed	25,000	-	25,000	-
Social security and other taxes	49,770	55,784	-	-
Taxation	79,991	76,048	13,623	13,923
	<hr/>	<hr/>	<hr/>	<hr/>
	562,457	587,256	38,623	13,923
	<hr/>	<hr/>	<hr/>	<hr/>

Hammerton Caravan Group Limited

Notes to the Financial Statements for the Year Ended 31 October 2003

17. Provisions for liabilities and charges

Deferred taxation, which is the full potential liability, is provided in the accounts as follows:

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Accelerated capital allowances	42,000	42,000	-	-
	=====	=====	=====	=====
Deferred Taxation				
£				
Balance at 1 November 2002	42,000			

Balance at 31 October 2003	42,000			
	=====			

18. Share capital			The Group		The Company	
			2003	2002	2003	2002
			£	£	£	£
Authorised:						
Number:	Class					
100,000	Ordinary shares of £1 each		100,000	100,000	100,000	100,000
25,000	Cumulative convertible participating preferred ordinary shares of £1 each		25,000	25,000	25,000	25,000
			-----	-----	-----	-----
			125,000	125,000	125,000	125,000
			=====	=====	=====	=====
Allotted, issued and fully paid						
Number	Class					
100,000	Ordinary shares of £1 each		100,000	100,000	100,000	100,000
			-----	-----	-----	-----
			100,000	100,000	100,000	100,000
			=====	=====	=====	=====

Hammerton Caravan Group Limited

Notes to the Financial Statements
for the Year Ended 31 October 2003

	The Group		The Company	
	2003	2002	2003	2002
19. Capital Redemption Reserve	£	£	£	£
Purchase of own shares	25,000	25,000	25,000	25,000

20. **Contingent Liabilities**

The company has given an unlimited Composite Cross Guarantee in respect of bank advances to certain other group companies. At the 31st October 2003 the advances amounted to £nil (2002: £nil)

At 31 October 2003 all group bank borrowings were secured by a fixed charge over its freehold property and a fixed and floating charge over all other assets. At 31 October 2003 and 2002, there were no group borrowings.

The company has given guarantees in respect of Trade Creditors of subsidiaries amounting to £145,276.

21. **Capital Commitments**

	2003	2002
	£	£
Contracted but not provided for in the financial statements	15,100	-

22. **Reconciliation of movements in shareholders' funds**

	2003	2002
	£	£
Profit for the financial year	175,055	218,130
Dividends	(25,000)	-
Net addition to shareholders' funds	150,055	218,130
Opening shareholders' funds	2,792,210	2,574,080
Closing shareholders' funds	2,942,265	2,792,210
Equity interests	2,942,265	2,792,210

Hammerton Caravan Group Limited

Notes to the Financial Statements
for the Year Ended 31 October 2003

**22. Profit attributable to the members of the holding
company dealt with in the accounts of the:**

	2003	2002
	£	£
Holding company	34,077	57,792
Subsidiary companies	<u>115,978</u>	<u>160,338</u>
Retained profit for the year	<u>150,055</u>	<u>218,130</u>