

LANGDALE LEISURE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 APRIL 2008



LANGDALE LEISURE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

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LANGDALE LEISURE LIMITED

COMPANY INFORMATION

Directors

Mr D E Watler
Mr J Longmuir

Company secretary

A L Durnall

Registered office

The Langdale Estate
Great Langdale
Cumbria
LA22 9JD

Auditor

Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP

Bankers

Barclays Bank plc
38 Fishergate
Preston
PR1 2DD

LANGDALE LEISURE LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2008

The directors have pleasure in presenting their report and the accounts of the company for the year ended 30 April 2008

Principal activities and business review

The principal activity of the company continues to be the operation and management of the Langdale resort which includes a hotel and timeshare development.

The directors are satisfied with the result for the year which is a net profit before taxation of £51,326 (2007 £(288,584))

Results and dividends

The profit for the year amounted to £164,026 The directors have not recommended a dividend

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 15 to the accounts

Directors

The directors who served the company during the year were as follows

Mr D E Watler
Mr D W Stanning
Mr J Longmuir

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the accounts of the parent company.

Mr D W Stanning resigned as a director on 28 September 2007

Policy on the payment of creditors

The company's policy for the year ended 30 April 2008 for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. The average number of days purchases in trade creditors at the end of the year was 62 days

LANGDALE LEISURE LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2008

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 accounts, 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 accounts 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 the accounts 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Moore and Smalley LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



A L Durnall
Company Secretary

Approved by the directors on 26 July 08

LANGDALE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO LANGDALE LEISURE LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 16, together with the accounts of Langdale Leisure Limited for the year ended 30 April 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision

Moore and Smalley LLP

**Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP**

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LANGDALE LEISURE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2008

| | Note | 2008 £ | 2007 £ |
|--|------|-------------|-------------|
| Gross profit | | 1,451,741 | 1,431,978 |
| Administrative expenses | | (1,398,989) | (1,507,137) |
| Operating profit/(loss) | 2 | 52,752 | (75,159) |
| Interest receivable | | 67 | 400 |
| Interest payable and similar charges | 5 | (1,493) | (213,825) |
| Profit/(loss) on ordinary activities before taxation | | 51,326 | (288,584) |
| Tax on profit/(loss) on ordinary activities | 6 | 112,700 | 28,226 |
| Profit/(loss) for the financial year | | 164,026 | (260,358) |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above.

LANGDALE LEISURE LIMITED

ABBREVIATED BALANCE SHEET

30 APRIL 2008

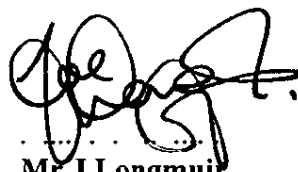
| | Note | 2008 £ | £ | 2007 £ | £ |
|--|------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 5,453,392 | | 5,137,817 |
| Current assets | | | | | |
| Stocks | 8 | 276,246 | | 342,425 | |
| Debtors | 9 | 539,904 | | 504,125 | |
| | | 816,150 | | 846,550 | |
| Creditors: amounts falling due within one year | 10 | 1,792,173 | | 1,510,931 | |
| Net current liabilities | | | (976,023) | | (664,381) |
| Total assets less current liabilities | | | 4,477,369 | | 4,473,436 |
| Creditors: amounts falling due after more than one year | 11 | | 3,438,392 | | 3,485,785 |
| | | | 1,038,977 | | 987,651 |
| Provisions for liabilities | | | | | |
| Deferred taxation | 14 | | 506,797 | | 619,497 |
| | | | 532,180 | | 368,154 |
| Capital and reserves | | | | | |
| Called-up equity share capital | 17 | | 435,000 | | 435,000 |
| Profit and loss account | 18 | | 97,180 | | (66,846) |
| Shareholders' funds | 19 | | 532,180 | | 368,154 |

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 26 July 08, and are signed on their behalf by



Mr D E Watler



Mr J Longmuir

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

Any changes in accounting policy resulting from the implementation of new accounting standards, which have a material effect on the accounts, are disclosed separately within the relevant note to the accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|------------------|
| Freehold buildings | - | 2% per annum |
| Plant & Machinery | - | 10% per annum |
| Fixtures & Fittings | - | 15-25% per annum |
| Motor Vehicles | - | 20% per annum |

Stocks

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

Goods held for resale relate to timeshare stock which is valued by pro-rating the actual cost of a completed lodge by reference to the unsold weeks at the year end

Timeshare stock purchased in part-exchange deals is valued at cost of purchase less any provision considered necessary to reflect the lower of cost and net realisable value.

Net realisable value is based on estimated selling price arising from normal activities less further costs expected to be incurred on disposal

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

1 Accounting policies (continued)

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

1 Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

| | 2008 £ | 2007 £ |
|--|-----------|-----------|
| Depreciation of owned fixed assets | 289,630 | 259,680 |
| Depreciation of assets held under hire purchase agreements | 500 | — |
| Profit on disposal of fixed assets | (5,200) | (2,140) |
| Auditor's remuneration | | |
| - as auditor | 7,875 | 11,000 |
| - for other services | 1,900 | 2,100 |
| Operating lease costs | | |
| Hire of equipment | 20,944 | 20,892 |

3 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

| | 2008 No | 2007 No |
|-----------|------------|------------|
| Part time | 63 | 64 |
| Full time | 134 | 134 |
| | 197 | 198 |

The aggregate payroll costs of the above were

| | 2008 £ | 2007 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,911,473 | 1,734,920 |
| Social security costs | 163,567 | 150,464 |
| Other pension costs | 14,792 | 17,072 |
| | 2,089,832 | 1,902,456 |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

4 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

| | 2008 £ | 2007 £ |
|--|---------------|---------------|
| Aggregate emoluments | 32,433 | 47,679 |
| Value of company pension contributions to money purchase schemes | — | 4,700 |
| | <u>32,433</u> | <u>52,379</u> |

The number of directors who accrued benefits under company pension schemes was as follows:

| | 2008 No | 2007 No |
|------------------------|------------|------------|
| Money purchase schemes | <u>—</u> | <u>1</u> |

5 Interest payable and similar charges

| | 2008 £ | 2007 £ |
|----------------------------|--------------|----------------|
| Finance charges | 1,493 | — |
| Interest on group balances | — | 213,825 |
| | <u>1,493</u> | <u>213,825</u> |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

6 Taxation on ordinary activities

(a) Analysis of charge in the year

| | 2008 | | 2007 | |
|--|----------|-----------|----------|----------|
| | £ | £ | £ | £ |
| Current tax: | | | | |
| UK Corporation tax based on the results for the year | | - | | 2,655 |
| Total current tax | | - | | 2,655 |
| Deferred tax: | | | | |
| Origination and reversal of timing differences (note 14) | | | | |
| Capital allowances | (83,944) | | 42,378 | |
| Losses | (28,006) | | (73,259) | |
| Other | (750) | | - | |
| Total deferred tax (note 14) | | (112,700) | | (30,881) |
| Tax on profit/(loss) on ordinary activities | | (112,700) | | (28,226) |

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 29.80% (2007 - 30%)

| | 2008 | 2007 |
|--|----------|-----------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation | 51,326 | (288,584) |
| Profit/(loss) on ordinary activities by rate of tax | 15,314 | (86,575) |
| Expenses not deductible for tax purposes | (35,966) | - |
| Capital allowances for period in excess of depreciation | 1,802 | (42,377) |
| Unrelieved tax losses | 18,052 | 73,218 |
| Adjustments to tax charge in respect of previous periods | - | 2,655 |
| Movement in short term timing differences | 798 | - |
| Group relief | - | 55,734 |
| Total current tax (note 6(a)) | - | 2,655 |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

7 Tangible fixed assets

| | Freehold land and buildings £ | Plant & Machinery £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|-------------------------|--|---------------------------|-----------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 May 2007 | 4,892,258 | 2,234,007 | 2,197,101 | 72,957 | 9,396,323 |
| Additions | 112,663 | 263,507 | 178,540 | 50,995 | 605,705 |
| Disposals | – | (15,345) | – | – | (15,345) |
| At 30 April 2008 | 5,004,921 | 2,482,169 | 2,375,641 | 123,952 | 9,986,683 |
| Depreciation | | | | | |
| At 1 May 2007 | 1,408,773 | 1,091,028 | 1,691,638 | 67,067 | 4,258,506 |
| Charge for the year | 6,799 | 146,317 | 129,544 | 7,470 | 290,130 |
| On disposals | – | (15,345) | – | – | (15,345) |
| At 30 April 2008 | 1,415,572 | 1,222,000 | 1,821,182 | 74,537 | 4,533,291 |
| Net book value | | | | | |
| At 30 April 2008 | 3,589,349 | 1,260,169 | 554,459 | 49,415 | 5,453,392 |
| At 30 April 2007 | 3,483,485 | 1,142,979 | 505,463 | 5,890 | 5,137,817 |

Freehold land, which in the opinion of the directors amounts to £3,000,000 (2007: £3,000,000), has not been depreciated

Hire purchase agreements

Included within the net book value of £5,453,392 is £81,446 (2007 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £500 (2007 - £Nil)

8 Stocks

| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Raw materials, consumables and goods held for resale | 99,699 | 64,553 |
| Timeshare stock | 176,547 | 277,872 |
| | 276,246 | 342,425 |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

9 Debtors

| | 2008 £ | 2007 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 456,506 | 373,100 |
| Amounts owed by group undertakings | 15,616 | — |
| Other debtors | 26,212 | 34,567 |
| Prepayments and accrued income | 41,570 | 96,458 |
| | <u>539,904</u> | <u>504,125</u> |

10 Creditors: amounts falling due within one year

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Overdrafts | 384,401 | 75,174 |
| Trade creditors | 366,500 | 446,415 |
| Amounts owed to group undertakings | — | 65,071 |
| PAYE and social security | 133,307 | 142,391 |
| Hire purchase agreements | 17,988 | — |
| Other creditors | 62,799 | 80,820 |
| Accruals and deferred income | 827,178 | 701,060 |
| | <u>1,792,173</u> | <u>1,510,931</u> |

11 Creditors: amounts falling due after more than one year

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 3,383,583 | 3,485,785 |
| Hire purchase agreements | 54,809 | — |
| | <u>3,438,392</u> | <u>3,485,785</u> |

12 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

| | 2008 £ | 2007 £ |
|--------------------------------------|---------------|-----------|
| Amounts payable within 1 year | 17,988 | — |
| Amounts payable between 2 to 5 years | 54,809 | — |
| | <u>72,797</u> | <u>—</u> |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

13 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to £14,972 (2007 £17,072) for the year.

No Directors paid into a pension scheme this year

14 Deferred taxation

The movement in the deferred taxation provision during the year was:

| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Provision brought forward | 619,497 | 650,378 |
| Profit and loss account movement arising during the year | (112,700) | (30,881) |
| Provision carried forward | <u>506,797</u> | <u>619,497</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Excess of taxation allowances over depreciation on fixed assets | 608,812 | 692,756 |
| Tax losses available | (101,265) | (73,259) |
| Other timing differences | (750) | - |
| | <u>506,797</u> | <u>619,497</u> |

15 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

16 Commitments under operating leases

At 30 April 2008 the company had annual commitments under non-cancellable operating leases as set out below

| | Assets Other Than Land & Buildings | |
|--------------------------------|---|---------------|
| | 2008 | 2007 |
| | £ | £ |
| Operating leases which expire. | | |
| Within 1 year | - | 14,692 |
| Within 2 to 5 years | <u>7,228</u> | <u>6,200</u> |
| | <u>7,228</u> | <u>20,892</u> |

17 Share capital

Authorised share capital:

| | 2008 | 2007 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| 2,000,000 Ordinary shares of £1 each | <u>2,000,000</u> | <u>2,000,000</u> |

Allotted, called up and fully paid:

| | 2008 | | 2007 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>435,000</u> | <u>435,000</u> | <u>435,000</u> | <u>435,000</u> |

18 Reserves

| | Profit and loss account |
|---------------------|--------------------------------|
| | £ |
| At 1 May 2007 | (66,846) |
| Profit for the year | <u>164,026</u> |
| At 30 April 2008 | <u>97,180</u> |

LANGDALE LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

19 Reconciliation of movements in shareholders' funds

| | 2008 £ | 2007 £ |
|--------------------------------------|----------------|----------------|
| Profit/(Loss) for the financial year | 164,026 | (260,358) |
| Opening shareholders' funds | 368,154 | 628,512 |
| Closing shareholders' funds | <u>532,180</u> | <u>368,154</u> |

20 Ultimate parent company

At 30 April 2008 the company's ultimate parent company was Langdale Owners Plc which is a parent of both the smallest and largest groups of which the company is a member. Copies of the consolidated financial statements of Langdale Owners Plc are available from Companies House.

The maximum balance outstanding during the year from Mr D W Stanning was £4,000 (2007 £4,000).