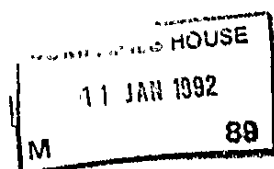


PINE LAKE MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 30 SEPTEMBER 1991

2103401



PINE LAKE MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their annual report and accounts of the company for the year ended 30 September 1991.

PRINCIPAL ACTIVITIES AND RESULTS

The company trades as a management services company for the Pine Lake Owners Club. Costs passed from the company's immediate parent undertaking, Pine Lake PLC (formerly Granada Great Adventures PLC), have been recharged in their entirety to the Pine Lake Owners Club and accordingly the company has made neither profit nor loss.

DIRECTORS AND DIRECTORS' INTERESTS

GJ Parrott and DT Chapman were directors throughout the year ended 30 September 1991. GJ Parrott retires from the Board by rotation and being eligible offers himself for re-election.

JB Tibbitts was appointed a director on 23 December 1991 and in accordance with the Articles of Association he retires from the board and being eligible offers himself for re-election.

The beneficial interests of directors in the share capital of Granada Group PLC (ultimate holding company) are as follows:

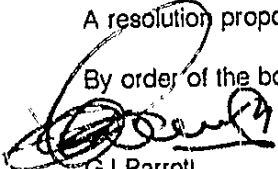
	30 September 1991		30 September 1990	
	<u>Ordinary shares</u>	<u>Options</u>	<u>Ordinary shares</u>	<u>Options</u>
G J Parrott	3,583	72,739	3,082	36,000
GJ Parrott (as a trustee)	3,449,128	-	3,043,045	-
D T Chapman	-	24,826	-	18,500

Options on ordinary shares in Granada Group PLC were granted at a nominal consideration under the Granada Executive Share Option Scheme and are exercisable at prices between £1.44 and £3.22 per share between August 1990 and August 2001.

AUDITORS

Price Waterhouse have indicated their intention to resign at the forthcoming Annual General Meeting. A resolution proposing Ernst & Young will be put forward at the AGM.

By order of the board


GJ Parrott
Secretary
36 Golden Square
London W1R 4AH

6 January 1992

Registered number: 2103901

York House
York Street
Manchester M2 4WS

Telephone 061 228 6541
Telex: 684857/8
Telecopier: 061-236 1468

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
PINE LAKE MANAGEMENT SERVICES LIMITED**

We have audited the accounts on pages 3 and 4 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1991 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
and Registered Auditor

6 January 1992

PINE LAKE MANAGEMENT SERVICES LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
ASSETS AND LIABILITIES			
Amount due from parent undertaking		2	2
		<u>—</u>	<u>—</u>
CAPITAL AND RESERVES			
Share capital	2	2	2
		<u>—</u>	<u>—</u>

Approved by the Board on 6 January 1992.

Q.S. Parrott


DIRECTOR

The notes on page 4 form part of these accounts.

PINE LAKE MANAGEMENT SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1991

1 ACTIVITIES

Costs passed from the company's immediate parent undertaking, Pine Lake PLC (formerly Granada Great Adventures PLC), have been recharged in their entirety to the Pine Lake Owners Club and accordingly the company made neither profit nor loss. The directors of the company received no emoluments for their services to the company during the year.

2 SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
	£	£
Authorised £1 ordinary shares	100	100
	<hr/>	<hr/>
Issued £1 ordinary shares	2	2
	<hr/>	<hr/>

3 IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The ultimate parent undertaking at 30 September 1991 was Granada Group PLC which is incorporated in Great Britain, registered office 36, Golden Square, London, W1R 4AH. The immediate parent undertaking is Pine Lake PLC (formerly Granada Great Adventures PLC) which is incorporated in Great Britain, registered office Park Hall Road, Chorley, PR7 5LP.

On 27 September 1991 Granada Group PLC entered into an agreement with LSI Group PLC (incorporated in Great Britain, registered office 162-168 High Street, Waltham Cross, Hertfordshire, EN8 7DS) for the sale and purchase of the whole of the share capital of Granada Great Adventures PLC (which subsequently changed its name to Pine Lake PLC), to be completed on 8 January 1992.

Copies of group accounts can be obtained from Golden Square.

4 ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting policies under the historical cost convention.