

Registration Number 2319525 (England and Wales)

Acorn Venture Limited

Annual Report

for the year ended 30 September 2004

Pinfields Limited

**Registered Auditors
Chartered Accountants**

Stourbridge



Acorn Venture Limited

Directors, officers and advisors

Directors	A. M. Gardiner J. A. Gardiner
Secretary	A. M. Gardiner
Company Number	2319525 (England and Wales)
Registered Office	Acorn House 22 Worcester Street Stourbridge West Midlands DY8 1AN
Auditors	Pinfields Limited Registered Auditors Chartered Accountants 10 Hagley Road Stourbridge West Midlands DY8 1PS
Business Address	Acorn House Prospect Road Halesowen West Midlands B62 8DU
Bankers	HSBC Bank plc 114 High Street Stourbridge West Midlands DY8 1DZ

Acorn Venture Limited

Annual Report for the year ended 30 September 2004

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Acorn Venture Limited

Directors' Report for the year ended 30 September 2004

The directors present their annual report, together with the audited financial statements of the company and the group, for the year ended 30 September 2004.

Principal Activity and Review of the Business

The principal activity of the group is that of activity group tour operators.

Results And Dividends

The results for the year are set out on page 5. The profit for the year after taxation was £74,789.

The directors have paid interim dividends amounting to £109,125 and they do not recommend payment of a final dividend.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary A shares		Ordinary B shares	
	30/09/04	01/10/03	30/09/04	01/10/03
A. M. Gardiner	27,500	27,500	-	-
Mrs J. A. Gardiner (resigned 01/10/03)	-	-	11,250	11,250
J. A. Gardiner	-	-	-	-

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 the affairs of the company and of the group and of the profit or loss of the company and of the group for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 of the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Acorn Venture Limited

**Directors' Report
for the year ended 30 September 2004**

Auditors

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

This report was approved by the Board on 31 January 2005 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A. M. Gardiner', written in a cursive style.

A. M. Gardiner
Secretary

Acorn Venture Limited

Independent auditors' report to the shareholders of Acorn Venture Limited

We have audited the financial statements of Acorn Venture Limited for the year ended 30 September 2004 which comprise the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out 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 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 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors responsibilities.

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

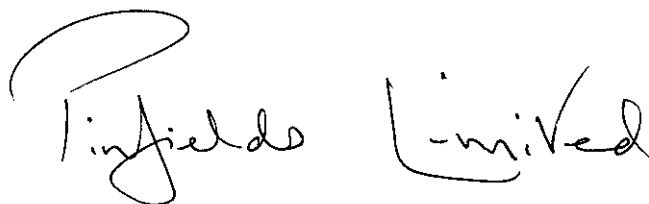
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

Acorn Venture Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the both the group and the company as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Pinfields Limited". The word "Pinfields" is written in a cursive style, and "Limited" is written in a simpler, more legible cursive style.

Pinfields Limited
Chartered Accountants
Registered Auditors
10 Hagley Road
Stourbridge
West Midlands DY8 1PS

Date: 31 January 2005

Acorn Venture Limited

Group Profit and Loss Account for the year ended 30 September 2004

		2004	2003
	Notes	£	£
Turnover	2	4,945,545	5,408,271
Cost of sales		(3,489,867)	(4,082,494)
Gross profit		1,455,678	1,325,777
Administrative expenses		(1,346,466)	(1,326,512)
Other operating income		723	24,424
Group operating profit	3	109,935	23,689
Interest receivable and similar income	4	19,498	8,617
Interest payable and similar charges	5	(8,291)	(23,934)
Profit on ordinary activities before taxation		121,142	8,372
Tax on profit on ordinary activities	8	(46,353)	-
Profit on ordinary activities after taxation		74,789	8,372
Dividends (partly non-equity)	10	(109,125)	(1,125)
(Loss)/retained profit for the group		(34,336)	7,247
Retained profit brought forward		329,703	322,456
Retained profit carried forward		295,367	329,703

There are no recognised gains or losses other than the profit or loss for the above two financial years.

None of the group's activities was acquired or discontinued during the above two financial years.

The notes on pages 9 to 23 form an integral part of these financial statements.

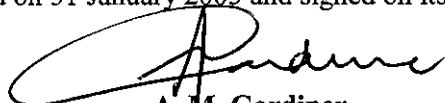
Acorn Venture Limited

**Group Balance Sheet
as at 30 September 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	11		46,535		57,199
Tangible assets	12		430,301		524,152
Investments	13		5,179		5,179
			<u>482,015</u>		<u>586,530</u>
Current Assets					
Stocks	15	22,528		15,155	
Debtors	16	261,552		242,378	
Cash at bank and in hand		544,358		543,931	
		<u>828,438</u>		<u>801,464</u>	
Creditors: amounts falling due within one year	17	<u>(614,948)</u>		<u>(527,308)</u>	
Net Current Assets			<u>213,490</u>		<u>274,156</u>
Total Assets Less Current Liabilities			<u>695,505</u>		<u>860,686</u>
Creditors: amounts falling due after more than one year	18		<u>(338,888)</u>		<u>(469,733)</u>
Net Assets			<u><u>356,617</u></u>		<u><u>390,953</u></u>
Capital and Reserves					
Called up share capital	19		50,000		50,000
Other reserves	20		11,250		11,250
Profit and loss account	20		295,367		329,703
Equity Shareholders' Funds	21		<u><u>356,617</u></u>		<u><u>390,953</u></u>
Equity interests			<u>345,367</u>		<u>379,703</u>
Non-equity interests			<u><u>11,250</u></u>		<u><u>11,250</u></u>

The financial statements were approved by the Board on 31 January 2005 and signed on its behalf by


J. A. Gardiner
Director


A. M. Gardiner
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

Acorn Venture Limited

**Company Balance Sheet
as at 30 September 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	11		-		10,000
Tangible assets	12		330,673		406,374
Investments	14		9,945		9,945
			<u>340,618</u>		<u>426,319</u>
Current Assets					
Stocks	15	20,693		12,719	
Debtors	16	334,221		316,468	
Cash at bank and in hand		489,759		516,711	
		<u>844,673</u>		<u>845,898</u>	
Creditors: amounts falling due within one year	17	<u>(558,207)</u>		<u>(543,565)</u>	
Net Current Assets			<u>286,466</u>		<u>302,333</u>
Total Assets Less Current Liabilities			<u>627,084</u>		<u>728,652</u>
Creditors: amounts falling due after more than one year	18		<u>(280,000)</u>		<u>(390,146)</u>
Net Assets			<u><u>347,084</u></u>		<u><u>338,506</u></u>
Capital and Reserves					
Called up share capital	19		50,000		50,000
Other reserves	20		11,250		11,250
Profit and loss account	20		285,834		277,256
Shareholders' Funds	21		<u><u>347,084</u></u>		<u><u>338,506</u></u>
Equity interests			335,834		327,256
Non-equity interests			<u><u>11,250</u></u>		<u><u>11,250</u></u>

The financial statements were approved by the Board on 31 January 2005 and signed on its behalf by


J. A. Gardiner
Director


A. M. Gardiner
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

Acorn Venture Limited

**Group Cash Flow Statement
for the year ended 30 September 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		109,935	23,689
Depreciation		266,965	272,859
(Increase) in stocks		(7,373)	7,030
(Increase) in debtors		(27,778)	(45)
Increase in creditors		58,970	(38,561)
Net cash inflow from operating activities		<u>400,719</u>	<u>264,972</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		400,719	264,972
Returns on investments and servicing of finance	25	10,082	(16,442)
Taxation	25	(3,830)	-
Capital expenditure	25	(161,397)	(123,518)
		<u>245,574</u>	<u>125,012</u>
Equity dividends paid		(108,000)	-
		<u>137,574</u>	<u>125,012</u>
Financing	25	(137,147)	(30,269)
Increase in cash in the year		<u>427</u>	<u>94,743</u>
Reconciliation of net cash flow to movement in net funds (Note 26)			
Increase in cash in the year		427	94,743
Cash outflow from increase in debts and lease financing		137,147	30,269
Change in net funds resulting from cash flows		137,574	125,012
New finance leases		(1,054)	(10,126)
Movement in net funds in the year		<u>136,520</u>	<u>114,886</u>
Net funds at 1 October 2003		<u>46,817</u>	<u>(68,069)</u>
Net funds at 30 September 2004		<u>183,337</u>	<u>46,817</u>

Acorn Venture Limited

Notes to Financial Statements for the year ended 30 September 2004

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

1.2. Basis of Consolidation

The group financial statements consolidate the accounts of Acorn Venture Limited and all its subsidiary undertakings made up to 30 September 2004 each year; the group profit and loss account includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

Turnover and profits arising on trading between group companies are excluded.

Where the group has an investment in an entity which is sufficient to give the group a participating interest, and over which it is in a position to exercise significant influence, the entity is treated as an associated undertaking and is accounted for using the equity method of accounting. The group's interests in joint ventures are accounted for using the gross equity method of accounting.

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.4. Goodwill

Goodwill may arise on the acquisition of subsidiary and associated undertakings and interests in joint ventures. It represents the excess of cost over fair value of the group share of tangible assets acquired. In accordance with Financial Reporting Standard (FRS) 10 such goodwill is capitalised as an intangible asset and amortised by equal instalments against profit over its expected life.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	over 12 years from date of acquisition.
Camping, catering and sports equipment	-	20% straight line
Fixtures, fittings and equipment	-	between 15% and 25% straight line
Motor vehicles	-	20% straight line

Acorn Venture Limited

Notes to Financial Statements for the year ended 30 September 2004

1.6. 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 constant periodic rates of charge on the net obligations outstanding in each period.

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

1.7. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8. Stock

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

1.9. Pensions

The company operates defined contribution pension schemes in respect of the directors and senior staff. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the company during the year.

1.10. Deferred taxation

The charge for taxation takes into account, where material, taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

2. Turnover

Turnover represents the net invoiced amount of goods sold and services provided and excludes value added tax and other sales taxes.

	2004	2003
	£	£
Geographical market		
UK	4,820,149	5,261,669
Europe	125,396	146,602
	<u>4,945,545</u>	<u>5,408,271</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

3. Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of intangible assets	10,664	12,400
Depreciation of tangible assets	250,928	255,532
Loss on disposal of tangible fixed assets	5,373	4,927
Operating lease rentals		
- Land and buildings	23,929	29,068
Auditors' remuneration	17,970	16,094
	<u> </u>	<u> </u>
 4. Interest receivable and similar income	 2004	 2003
	£	£
Bank interest	19,498	8,617
	<u> </u>	<u> </u>
 5. Interest payable and similar charges	 2004	 2003
	£	£
On bank loans and overdrafts	7,236	17,398
On loans repayable in five years or more	-	4,905
Hire purchase interest	1,055	1,631
	<u> </u>	<u> </u>
	8,291	23,934
	<u> </u>	<u> </u>

Acorn Venture Limited

Notes to Financial Statements for the year ended 30 September 2004

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2004	2003
Office, operations and management	33	34
Seasonal group operators/instructors	160	249
	<u>193</u>	<u>283</u>

Employment costs

	2004 £	2003 £
Wages and salaries	985,619	1,067,018
Social security costs	68,505	68,648
Other pension costs	11,707	15,020
	<u>1,065,831</u>	<u>1,150,686</u>

6.1. Directors' emoluments

	2004 £	2003 £
Remuneration and other emoluments	46,342	75,310
Pension contributions	-	1,200
	<u>46,342</u>	<u>76,510</u>

Number of directors to whom retirement benefits
are accruing under a money purchase scheme

- -

7. Pension costs

The company operates defined contribution pension schemes in respect of the senior managers. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £11,707 (2003 - £15,020).

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

8. Taxation	2004	2003
	£	£
UK current year taxation		
UK Corporation Tax	34,000	-
Prior years		
UK Corporation Tax	12,353	-
	<u>46,353</u>	<u>-</u>

9. Profit for the year attributable to shareholders

As permitted by Section 230 of the Companies Act 1985 the Profit and Loss Account of Acorn Venture Limited has not been presented with the financial statements.

The results after taxation of the parent undertaking for the year ended 30 September 2004 showed a profit of £117,703 (30 September 2003 - £22,956) after group dividends receivable of £100,000 (30 September 2003 - £-).

10. Dividends	2004	2003
	£	£
Dividends on equity shares:		
Ordinary shares - Interims paid	<u>108,000</u>	<u>-</u>
Dividends on non-equity shares:		
Preference shares - Interim paid	<u>1,125</u>	<u>1,125</u>
Total dividends	<u>109,125</u>	<u>1,125</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

11. Intangible fixed assets

	Goodwill	Total
	£	£
Group		
Cost		
At 1 October 2003		
At 30 September 2004	<u>93,301</u>	<u>93,301</u>
Provision for diminution in value		
At 1 October 2003	36,102	36,102
Charge for year	<u>10,664</u>	<u>10,664</u>
At 30 September 2004	<u>46,766</u>	<u>46,766</u>
Net book values		
At 30 September 2004	<u>46,535</u>	<u>46,535</u>
At 30 September 2003	<u>57,199</u>	<u>57,199</u>

Goodwill relating to the acquisition of the Fonds du Commercial of Sarl Camping La Savanne are being written off over 25 years.

Goodwill relating to the acquisition of Crystal Schools Adventure holidays has been written off over 4 years.

Company		
Cost		
At 1 October 2003		
At 30 September 2004	<u>40,000</u>	<u>40,000</u>
Provision for diminution in value		
At 1 October 2003	30,000	30,000
Charge for year	<u>10,000</u>	<u>10,000</u>
At 30 September 2004	<u>40,000</u>	<u>40,000</u>
Net book values		
At 30 September 2004	<u>-</u>	<u>-</u>
At 30 September 2003	<u>10,000</u>	<u>10,000</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

12. Tangible fixed assets

	Long leasehold property	Camping, catering and sports equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Group					
Cost					
At 1 October 2003	107,387	1,021,258	132,450	140,913	1,402,008
Additions	-	148,051	8,934	18,788	175,773
Disposals	-	(120,481)	(12,648)	(60,123)	(193,252)
At 30 September 2004	<u>107,387</u>	<u>1,048,828</u>	<u>128,736</u>	<u>99,578</u>	<u>1,384,529</u>
Depreciation					
At 1 October 2003	25,577	655,210	110,402	86,668	877,857
On disposals	-	(116,926)	(12,648)	(44,983)	(174,557)
Charge for the year	10,506	207,925	11,158	21,339	250,928
At 30 September 2004	<u>36,083</u>	<u>746,209</u>	<u>108,912</u>	<u>63,024</u>	<u>954,228</u>
Net book values					
At 30 September 2004	<u>71,304</u>	<u>302,619</u>	<u>19,824</u>	<u>36,554</u>	<u>430,301</u>
At 30 September 2003	<u>81,810</u>	<u>366,048</u>	<u>22,048</u>	<u>54,245</u>	<u>524,151</u>
Company					
Cost					
At 1 October 2003	-	956,527	130,980	130,658	1,218,165
Additions	-	141,916	7,247	18,788	167,951
Disposals	-	(120,481)	(12,648)	(60,123)	(193,252)
At 30 September 2004	<u>-</u>	<u>977,962</u>	<u>125,579</u>	<u>89,323</u>	<u>1,192,864</u>
Depreciation					
At 1 October 2003	-	620,790	109,079	81,922	811,791
On disposals	-	(116,926)	(12,648)	(44,983)	(174,557)
Charge for the year	-	195,244	11,015	18,698	224,957
At 30 September 2004	<u>-</u>	<u>699,108</u>	<u>107,446</u>	<u>55,637</u>	<u>862,191</u>
Net book values					
At 30 September 2004	<u>-</u>	<u>278,854</u>	<u>18,133</u>	<u>33,686</u>	<u>330,673</u>
At 30 September 2003	<u>-</u>	<u>335,737</u>	<u>21,901</u>	<u>48,736</u>	<u>406,374</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

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

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Group				
Motor vehicles	<u>9,077</u>	<u>4,859</u>	<u>18,218</u>	<u>7,000</u>
Company				
Motor vehicles	<u>9,077</u>	<u>4,859</u>	<u>18,218</u>	<u>7,000</u>

13. Fixed Asset Investments

Group	Listed Investments	Total
	£	£
Cost		
At 1 October 2003		
At 30 September 2004	<u>5,179</u>	<u>5,179</u>
Net book values		
At 30 September 2004	<u>5,179</u>	<u>5,179</u>
At 30 September 2003	<u>5,179</u>	<u>5,179</u>

The market value of listed investments at the balance sheet date was £3,989 (2003 - £3,153).

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

Company	2004	2003
	£	£
Subsidiary undertakings	4,766	4,766
Listed investments	5,179	5,179
	<u>9,945</u>	<u>9,945</u>

Holdings of 20% or more

The group or the company holds 20% or more of the nominal value of the share capital of the following companies:

Company	Country of incorporation or operation	Holding	Proportion Held
Subsidiary undertaking			
Acorn Venture Transport Limited	England	Ordinary	100%
Sarl Camping La Savanne	France	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	£	£
Acorn Venture Transport Limited	10,981	(36,832)
Sarl Camping La Savanne	3,318	(6,083)

The principal business activity of all the above companies is that of activity group tour operators.

15. Stocks	2004	2003
	£	£
Group		
Finished goods and goods for resale	<u>22,528</u>	<u>15,155</u>
Company		
Finished goods and goods for resale	<u>20,693</u>	<u>12,719</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

16. Debtors

	2004	2003
	£	£
Group		
Trade debtors	13,885	19,931
Amount owed by connected party (see note 23)	69,443	54,469
Other debtors	21,785	74,215
Called up share capital not paid	11,250	11,250
Prepayments and accrued income	145,189	82,513
	<u>261,552</u>	<u>242,378</u>
 Company		
Trade debtors	10,238	18,527
Amounts owed by group undertakings	119,735	86,789
Amount owed by connected party (see note 23)	69,443	54,469
Other debtors	15,289	63,618
Called up share capital not paid	11,250	11,250
Prepayments and accrued income	108,266	81,815
	<u>334,221</u>	<u>316,468</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

17. Creditors: amounts falling due within one year	2004 £	2003 £
Group		
Bank loan	20,987	19,908
Net obligations under finance leases and hire purchase contracts	1,146	7,473
Trade creditors	91,800	183,438
Deposits received in advance	379,131	267,781
Corporation tax	34,000	81
Other taxes and social security costs	47,909	45,940
Directors' accounts	12,672	-
Other creditors	7,158	(5,904)
Accruals and deferred income	20,145	8,591
	<u>614,948</u>	<u>527,308</u>
Company		
Net obligations under finance leases and hire purchase contracts	1,146	7,473
Trade creditors	73,013	128,169
Deposits received in advance	379,131	267,781
Amounts owed to group undertaking	-	91,431
Corporation tax	17,000	-
Other taxes and social security costs	41,243	39,685
Directors' accounts	12,672	-
Other creditors	13,857	435
Accruals and deferred income	20,145	8,591
	<u>558,207</u>	<u>543,565</u>

Details of security are given in note 18

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

18. Creditors: amounts falling due after more than one year	2004 £	2003 £
Group		
Directors capital accounts	280,000	389,000
Bank loan	58,888	79,587
Net obligations under finance leases and hire purchase contracts	-	1,146
	<u>338,888</u>	<u>469,733</u>
Loans		
Repayable in one year or less, or on demand (Note 17)	20,987	19,908
Repayable between one and two years	22,516	21,295
Repayable between two and five years	36,372	58,292
Repayable in five years or more	280,000	389,000
	<u>359,875</u>	<u>488,495</u>
Repayable in five years or more:		
Directors capital accounts	280,000	389,000
	<u>280,000</u>	<u>389,000</u>

The bank loan is secured on the business assets of the subsidiary company, Sarl Camping La Savanne.
The hire purchase contracts are secured on the assets concerned.

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	1,146	7,473
Repayable between one and five years	-	1,146
	<u>1,146</u>	<u>8,619</u>

The bank loan is repayable in equal instalments over 7 years from drawdown. Interest is charged at 6.75%. There is no agreed repayment date for the directors' loans.

Company

Directors capital accounts	280,000	389,000
Net obligations under finance leases and hire purchase contracts	-	1,146
	<u>280,000</u>	<u>390,146</u>

Loans

Repayable in five years or more	280,000	389,000
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The hire purchase contracts are secured on the assets concerned.

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	1,146	7,473
Repayable between one and five years	-	1,146
	<u>1,146</u>	<u>8,619</u>

19. Share capital

Allotted, called up and fully paid

27,500 Ordinary A shares of £1 each	27,500	27,500
11,250 Ordinary B shares of £1 each	11,250	11,250
11,250 Preference shares of £1 each	11,250	11,250
	<u>50,000</u>	<u>50,000</u>
Equity interest	38,750	38,750
Non-equity interest	<u>11,250</u>	<u>11,250</u>

20. Equity Reserves

	Profit and loss account £	Capital redemption reserve £	Total £
Group			
At 1 October 2003	329,703	11,250	340,953
(Loss)/retained profit for the year	(34,336)		(34,336)
At 30 September 2004	<u>295,367</u>	<u>11,250</u>	<u>306,617</u>
Company			
At 1 October 2003	277,256	11,250	288,506
(Loss)/retained profit for the year	8,578		8,578
At 30 September 2004	<u>285,834</u>	<u>11,250</u>	<u>297,084</u>

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

21. Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Group		
Profit for the year	74,789	8,372
Dividends	(109,125)	(1,125)
	<u>(34,336)</u>	<u>7,247</u>
Opening shareholders' funds	<u>390,953</u>	<u>383,706</u>
	<u><u>356,617</u></u>	<u><u>390,953</u></u>
Company		
Profit for the year	117,703	22,956
Dividends	(109,125)	(1,125)
	<u>8,578</u>	<u>21,831</u>
Opening shareholders' funds	<u>338,506</u>	<u>316,675</u>
	<u><u>347,084</u></u>	<u><u>338,506</u></u>

22. Financial commitments

At 30 September 2004 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
In over five years	<u>32,500</u>	<u>20,000</u>

23. Transactions with directors

Mr & Mrs A. M. Gardiner are partners in the business of Hotel de la Plage SCI, a partnership registered in France, with whom there is a loan outstanding of £69,443 (2003 - £54,469).

24. Related party transactions

The company occupied premises owned by its pension fund under an operating lease. The rent for the year was £20,000 (2003 - £20,000) and at the balance sheet date no amount was outstanding (2003 - £nil).

Acorn Venture Limited

**Notes to Financial Statements
for the year ended 30 September 2004**

25. Gross Cash Flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	19,498	8,617
Interest paid	(8,291)	(23,934)
Preference dividends paid	(1,125)	(1,125)
	<u>10,082</u>	<u>(16,442)</u>
Taxation		
Corporation tax paid	<u>(3,830)</u>	<u>-</u>
Capital expenditure		
Payments to acquire intangible assets	-	-
Payments to acquire tangible assets	(174,719)	(134,712)
Receipts from sales of intangible assets	-	2,138
Receipts from sales of tangible assets	13,322	9,056
	<u>(161,397)</u>	<u>(123,518)</u>
Financing		
New long term bank loan	(19,620)	(18,612)
Other new long term loans	(109,000)	-
Capital element of hire purchase contracts	(8,527)	(11,657)
	<u>(137,147)</u>	<u>(30,269)</u>

26. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	543,931	427		544,358
Debt due within one year	(19,908)	-	(1,079)	(20,987)
Debt due after one year	(468,587)	128,620	1,079	(338,888)
Finance leases	(8,619)	8,527	(1,054)	(1,146)
	<u>(497,114)</u>	<u>137,147</u>	<u>(1,054)</u>	<u>(361,021)</u>
Net funds	<u>46,817</u>	<u>137,574</u>	<u>(1,054)</u>	<u>183,337</u>