Leisure Parcs Limited

Directors' report and consolidated financial statements

Registered number 03127502

31 March 2006

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

Principal activities

The principal activities of the group are the provision of entertainment services.

Business review

The directors are satisfied with the performance during the year, in a difficult trading environment and against a background of inflationary pressures on costs. The directors believe the group is well placed going forward.

Principal risks and uncertainties

During the year the group's principal activity was as an owner and operator of leisure attractions and other leisure assets. The principal uncertainty associated with this business is the level of visitors to the group's attractions and to Blackpool in general, where all the group's businesses are now based. The directors believe that this presents both risks and opportunities to the business.

Performance and development during the year including key performance indicators

The directors monitor performance through the production of a detailed annual budget and comparison against this budget. Additionally the directors monitor key performance indicators to ensure they are within acceptable parameters, these include:

- Admission numbers to key leisure attractions
- Gross profit percentage return on sales
- Operating profit return on sales
- Levels of spend on administration costs
- Cash generated from operating activities

Position at the end of the year

The group has a sound financial base and sufficient financial resources to meet the business's requirements.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year were as follows:

Mr CJ Hemmings (appointed 14 September 2006)
Mr DT Chapman
Ms K Revitt
Mr ML Widders
Mr CJ Sullivan
Mr R Withers (resigned 30 September 2005)
Mr EM Kilby (resigned 24 November 2005)

The family interests of Mr TJ Hemmings own the entire issued share capital of the controlling company, West Manor Limited

None of the other directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Directors' report (continued)

Employees

Unit managers are responsible for employee relations and development on a day to day basis. This is supported by regular visits by senior executives who are able to explain and provide employees with information on matters of concern to them as employees and to enable their views to be taken into account.

It is the policy and practice of the group to give equal consideration to applications for employment from disabled persons having regard to the particular aptitudes and abilities of the applicants concerned. The services of any existing employee who becomes disabled are retained wherever practicable.

Employee involvement

The group places great emphasis on consultation at all levels where its policy is to encourage an open management style with frequent formal and informal discussions on all aspects of operations.

Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £nil *(2005: £3,000)*.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board

ML Widders
Director

97 Church Street
Blackpool
FY1 1HL

24 January 2007

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Leisure Parcs Limited

We have audited the group and parent company financial statements (the "financial statements") of Leisure Parcs Limited for the year ended 31 March 2006 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Reconciliation of operating profit to net cash flow from operating activities, the Reconciliation of net cash flow to movement in net debt and the related notes. These financial statements have been prepared under 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 directors' report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Independent auditors' report to the members of Leisure Parcs Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2006 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

24/01/ 2007

Consolidated profit and loss account

for the year ended 31 March 2006

	Note	2006 £000	2005 £000
Turnover	1	**26,842**	29,768
Cost of sales		**(3,725)**	(4,465)
Gross profit		**23,117**	25,303
Administrative expenses		**(24,003)**	(24,489)
Other operating income		**2,719**	2,532
Operating profit	2	**1,833**	3,346
Share of operating profit of associated undertaking		**211**	189
Profit on the disposal of fixed assets		**3,922**	-
Profit on ordinary activities before interest		**5,966**	3,535
Interest receivable and similar income	5	**9**	47
Interest payable and similar charges	6	**(3,488)**	(3,800)
Profit/(loss) on ordinary activities before taxation		**2,487**	(218)
Tax on profit/(loss) on ordinary activities	7	**362**	(365)
Retained profit/(loss) for the year		**2,849**	(583)

All of the above relate to continuing operations.

Statement of total recognised gains and losses

for the year ended 31 March 2006

There were no recognised gains or losses other than those shown in the profit and loss account for both the current and prior year.

Consolidated balance sheet
at 31 March 2006

	Note	2006 £000	2006 £000	2005 £000	2005 £000
Fixed assets					
Intangible assets	9		37		49
Tangible assets	10		46,567		81,530
Investments	12		904		748
			47,508		82,327
Current assets					
Stocks	13	314		561	
Debtors	14	2,150		2,646	
Cash at bank and in hand		681		1,817	
		3,145		5,024	
Creditors: amounts falling due within one year	15	(8,130)		(20,478)	
Net current liabilities			(4,985)		(15,454)
Total assets less current liabilities			42,523		66,873
Creditors: amounts falling due after more than one year	16		(36,100)		(63,000)
Provisions for liabilities and charges	17		(83)		(382)
Net assets			6,340		3,491
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	19		5,340		2,491
Equity shareholders' funds	20		6,340		3,491

These financial statements were approved by the board of directors on 24 January 2007 and were signed on its behalf by:

ML Widders
Director

Company balance sheet
at 31 March 2006

	Note	2006 £000	2006 £000	2005 £000	2005 £000
Fixed assets					
Tangible assets	*11*		**43,739**		78,913
Investments	*12*		**1,821**		1,821
Long term loan to subsidiary undertaking			**1,989**		1,989
			47,549		82,723
Current assets					
Stocks	*13*	**298**		536	
Debtors	*14*	**2,328**		2,873	
Cash at bank and in hand		**670**		1,764	
		3,296		5,173	
Creditors: amounts falling due within one year	*15*	**(8,491)**		(21,133)	
Net current liabilities			**(5,195)**		(15,960)
Total assets less current liabilities			**42,354**		66,763
Creditors: amounts falling due after more than one year	*16*		**(36,100)**		(63,000)
Provisions for liabilities and charges	*17*		**-**		(324)
Net assets			**6,254**		3,439
Capital and reserves					
Called up share capital	*18*		**1,000**		1,000
Profit and loss account	*19*		**5,254**		2,439
Equity shareholders' funds	*20*		**6,254**		3,439

These financial statements were approved by the board of directors on 24 January 2007 and were signed on its behalf by:

ML Widders
Director

Consolidated cash flow statement
for the year ended 31 March 2006

	Note	2006 £000	2005 £000
Cash flow from operating activities		**5,412**	7,666
Dividends received from associate		**-**	100
Returns on investments and servicing of finance	24	**(3,582)**	(4,467)
Taxation		**96**	(392)
Capital expenditure and financial investment	24	**34,967**	(1,685)
Financing	24	**(34,400)**	(3,500)
Increase/(decrease) in cash in the year		**2,493**	(2,278)

All amounts relate to continuing operations

Reconciliation of operating profit to net cash flow from operating activities
for the year ended 31 March 2006

	2006 £000	2005 £000
Operating profit	**1,833**	3,346
Depreciation and amortisation charges	**3,930**	3,413
Decrease in stocks	**247**	89
Decrease/(increase) in debtors	**518**	(256)
(Decrease)/increase in creditors	**(1,116)**	1,074
Net cash inflow from operating activities	**5,412**	7,666

Reconciliation of net cash flow to movement in net debt
for the year ended 31 March 2006

	Note	2006 £000	2005 £000
Increase/(decrease) in cash in the year		**2,493**	(2,278)
Cash out flow from repayment of loan		**34,400**	3,500
Movement in net debt in the year		**36,893**	1,222
Net debt at the beginning of the year		**(74,609)**	(75,831)
Net debt at the end of the year	25	**(37,716)**	(74,609)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The consolidated financial statements incorporate the financial statements for the company and its subsidiary and associated undertakings which have been prepared for the financial year ended 31 March 2006. Where the accounting reference date of the associated undertaking is different from the group but is within three months of 31 March the latest management accounts have been used.

Where the acquisition method of accounting has been adopted the results of the subsidiary or associated undertaking acquired in the year are included in the profit and loss account from the date of acquisition. Goodwill arising on consolidation represented by the excess of the fair value of the consideration given over the fair value of the separable net assets acquired is capitalised and amortised on a straight line basis over the directors estimate of the useful life. The directors consider each acquisition separately for the purpose of determining amortisation periods. Goodwill capitalised to date is amortised over a period between 5 and 10 years. Any excess of the fair value of separable net assets acquired over the fair value of consideration given (negative goodwill) is recognised and disclosed separately within intangible fixed assets and released to the profit and loss account in the periods in which the assets relating to the negative goodwill are recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of leisure services to third party customers. All turnover arises in the United Kingdom.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold and leasehold properties	-	50 years
Motor vehicles	-	25% per annum
Plant and equipment	-	4 to 8 years
Amusement machines	-	written off over 2-5 years
Freehold property improvements	-	10 years

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The group operates defined contribution pension schemes for certain of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Stocks

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made without discounting for deferred taxation.

Related party transactions

The directors have taken advantage of the exemptions in Financial Reporting Standard Number 8, paragraph 3 (a) and have not disclosed transactions and balances between group entities that have been eliminated on consolidation.

2 Profit/(loss) on ordinary activities before taxation

	2006	2005
	£000	£000
Profit/(loss) on ordinary activities before taxation is stated:		
after charging		
Auditors' remuneration:		
Audit - Group	**30**	29
- Company	**24**	23
Other services – fees paid to the auditors and their associates	**32**	25
Depreciation	**3,918**	3,401
Amortisation of goodwill	**12**	12
Operating lease rentals		
Plant and machinery	**36**	36
after crediting		
Property rents receivable	**2,719**	2,533
Release of fair value provision	**-**	-
Profit on the sale of fixed assets	**3,922**	-

Notes *(continued)*

3 Remuneration of directors

	2006	2005
	£000	£000
Directors' emoluments	**195**	200
Company contributions to defined contribution pension schemes	**14**	14

The aggregate emoluments of the highest paid director were £126,000 *(2005: £74,000)* and company pension contributions of £9,000 *(2005: £5,000)* were made to a defined contribution scheme on his behalf.

	2006	2005
	£000	£000
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	**2**	3

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2006	2005
Operational	**505**	620
Administration and management	**142**	117
	647	737

The aggregate payroll costs of these persons were as follows:

	2006	2005
	£000	£000
Wages and salaries	**7,746**	7,998
Social security costs	**504**	582
Other pension costs	**131**	143
	8,381	8,723

5 Interest receivable and similar income

	2006	2005
	£000	£000
Bank interest	**9**	47

Notes *(continued)*

6 Interest payable and similar charges

	2006 £000	2005 £000
On bank loans and overdrafts	**2,894**	3,152
On loan notes	**594**	648
	3,488	3,800

7 Taxation

	2006 £000	2005 £000
UK corporation tax at 30% - current year	**-**	237
Adjustment in relation to prior period	**(118)**	-
	(118)	237
Movement on deferred taxation	**(299)**	108
	(417)	345
Attributable to associate undertaking		
Corporation tax at 30% *(2005: 30%)*	**55**	20
	(362)	365

	2006 £000	2005 £000
Profit/(loss) on ordinary activities before taxation	**2,487**	(218)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% *(2005: 30%)*	**746**	(65)
Effects of:		
Non-qualifying depreciation	**359**	216
Capital allowances less than depreciation	**690**	181
Expenses not deductible for tax purposes and non-taxable income	**(437)**	(62)
Profit on disposals not taxable	**(1,898)**	-
Losses carried back	**229**	-
Losses carried forward	**374**	-
Effects of associated company	**(8)**	(6)
Other short term timing differences	**-**	(7)
Adjustment in relation to prior period	**(118)**	-
Current tax (credit) / charge for the period	**(63)**	257

Notes *(continued)*

8 Company result for the financial year

Leisure Parcs Limited has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The profit (*2005: loss*) for the financial year dealt with in the accounts of the holding company, Leisure Parcs Limited, is £2,815,000 *(2005: £(679,000))*.

9 Intangible assets

Goodwill	**Group goodwill arising on acquisitions £000**
Group	
Cost or valuation	
At 1 April 2005 and at 31 March 2006	121
Amortisation	
At 1 April 2005	72
Charge for the year	12
At 31 March 2006	84
Net book value	
At 31 March 2006	**37**
At 1 April 2005	49

10 Tangible fixed assets - group

	Land and buildings				
	Freehold land and buildings £000	**Improvements to freehold properties £000**	**Plant and equipment £000**	**Motor vehicles £000**	**Total £000**
Cost					
At beginning of year	73,692	11,895	12,347	61	97,995
Additions	-	1,627	544	-	2,171
Disposals	(28,463)	(9,591)	(5,924)	(21)	(43,999)
At end of year	45,229	3,931	6,967	40	56,167
Depreciation					
At beginning of year	4,641	3,265	8,525	34	16,465
Charge for year	1,210	1,110	1,586	12	3,918
Disposals	(2,712)	(3,135)	(4,915)	(21)	(10,783)
At end of year	3,139	1,240	5,196	25	9,600
Net book value					
At 31 March 2006	**42,090**	**2,691**	**1,771**	**15**	**46,567**
At 31 March 2005	69,051	8,630	3,822	27	81,530

No assets are held under finance leases and similar hire purchase contracts.

The cost of freehold land and buildings includes £8,331,000 *(2005: £8,885,000)* of non-depreciable assets.

Notes *(continued)*

11 Tangible fixed assets - company

	Land and buildings: Freehold land and buildings £000	Land and buildings: Improvements to freehold properties £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of year	71,428	11,658	12,026	58	95,170
Additions	-	1,387	508	-	1,895
Disposals	(28,463)	(9,591)	(5,924)	(21)	(43,999)
At end of year	42,965	3,454	6,610	37	53,066
Depreciation					
At beginning of year	4,592	3,228	8,405	32	16,257
Charge for year	1,197	1,088	1,556	12	3,853
Disposals	(2,712)	(3,135)	(4,915)	(21)	(10,783)
At end of year	3,077	1,181	5,046	23	9,327
Net book value					
At 31 March 2006	**39,888**	**2,273**	**1,564**	**14**	**43,739**
At 31 March 2005	66,836	8,430	3,621	26	78,913

No assets are held under finance leases and similar hire purchase contracts.

The cost of freehold land and buildings includes £7,831,000 *(2005: £8,385,000)* of non-depreciable assets.

Notes *(continued)*

12 Investments

Group	Participating interests £000	Total £000
At 1 April 2005	748	748
Share of results	156	156
At 31 March 2006	**904**	**904**

	£000
Share of turnover of participating interest	854
Share of assets	
Share of fixed assets	600
Share of current assets	565
Share of liabilities	
Liabilities due within one year or less	(261)
Share of net assets	904

Company	**Participating interests £000**	**Interest in subsidiary undertaking £000**	**Total £000**
Cost and net book value:			
At 1 April 2005 and 31 March 2006	912	909	1,821

The principal companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	**Principal activity**	**Class and percentage**
Subsidiary undertakings			
Louis Tussauds Waxworks (Blackpool) Limited	United Kingdom	Leisure	ordinary 100%
Activeclaim Limited	United Kingdom	Dormant	ordinary 100%
The Blackpool Tower Company Limited	United Kingdom	Dormant	ordinary 100%
The Savoy Hotel (Blackpool) Limited	United Kingdom	Dormant	ordinary 100%
Interests in associated undertakings			
Sea Life Centre (Blackpool) Limited	United Kingdom	Leisure	ordinary 50%

13 Stocks

	2006		2005	
	Group £000	**Company £000**	Group £000	Company £000
Goods for resale	**314**	**298**	561	536

Notes *(continued)*

14 Debtors

	2006 Group £000	2006 Company £000	2005 Group £000	2005 Company £000
Trade debtors	**508**	**507**	274	269
Amounts owed by subsidiary undertakings	**-**	**240**	-	263
Amounts owed by undertakings in which the company has a participating interest	**55**	**55**	13	13
Corporation tax	**155**	**155**	133	108
Prepayments and accrued income	**1,084**	**1,065**	2,210	2,204
Other debtors	**348**	**306**	16	16
	2,150	**2,328**	2,646	2,873

15 Creditors: amounts falling due within one year

	2006 Group £000	2006 Company £000	2005 Group £000	2005 Company £000
Bank overdraft and loans	**2,297**	**2,000**	13,426	13,403
Trade creditors	**865**	**850**	1,705	1,691
Amounts owed to group undertakings	**-**	**681**	-	681
Amounts owed to undertakings in which the company has a participating interest	**-**	**-**	16	16
Taxation and social security	**94**	**91**	44	74
Accruals and deferred income	**1,327**	**1,324**	1,491	1,475
Other creditors	**3,547**	**3,545**	3,796	3,793
	8,130	**8,491**	20,478	21,133

16 Creditors: amounts falling due after more than one year

	Group and Company 2006 £000	2005 £000
Debenture loans	**16,100**	18,100
Bank loans	**20,000**	44,900
	36,100	63,000

	2006 £000	2005 £000
Analysis of debt:		
Debt can be analysed as falling due:		
In one year or less, or on demand	**2,297**	13,426
Between one and two years	**2,000**	9,500
Between two and five years	**26,000**	37,500
In five years or more	**8,100**	16,000
	38,397	76,426

Notes *(continued)*

16 Creditors: amounts falling due after more than one year (continued)

Amounts repayable in more than five years:	Group and Company	
	2006	2005
	£000	£000
Debenture loans	**8,100**	10,100
Bank loans	**-**	5,900
	8,100	16,000

The unsecured loan notes were issued in September 1998 and are held by the shareholders in proportion to their shareholding. Interest of 3% per annum is payable annually in arrears. Redemption of the loan notes is at the rate of £2,000,000 per annum from December 2004 to December 2014.

Since the year end further repayments of the bank loan have been deferred until June 2007. Prior to this the bank term loan was repayable in quarterly instalments from December 2004 to September 2010. The interest rate is charged at base rate plus a margin of 1.25%. The bank has a legal charge over all heritable properties and cross guarantees from all group companies.

17 Provisions for liabilities and charges

	Deferred taxation
	£000
Group	
At start of year	**382**
Credit to the profit and loss account in the year	**(299)**
At end of year	**83**

The elements of deferred taxation are as follows:

	2006	2005
	£000	£000
Other timing differences	**-**	(58)
Capital allowances in excess of depreciation	**83**	440
	83	382

Company	**Deferred taxation**
	£000
At start of year	324
Credit to the profit and loss account in the year	(324)
At end of year	-

The elements of deferred taxation are as follows:

	2006	2005
	£000	£000
Other timing differences	-	(58)
Capital allowances in excess of depreciation	-	382
	-	324

Notes *(continued)*

18 Called up share capital

	2006 £000	2005 £000
Authorised		
1,000,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	**1,000**	1,000

19 Reserves - profit and loss account

	Group £000	Company £000
At 31 March 2005	2,491	2,439
Retained profit for the year	2,849	2,815
At 31 March 2006	**5,340**	**5,254**

20 Reconciliation of movements in shareholders' funds

	2006		2005	
	Group £000	Company £000	Group £000	Company £000
Profit/(loss) for the financial year	**2,849**	**2,815**	(583)	(679)
Net addition to/(reduction in) shareholders' funds	**2,849**	**2,815**	(583)	(679)
Opening shareholders' funds	**3,491**	**3,439**	4,074	4,118
Closing shareholders' funds	**6,340**	**6,254**	3,491	3,439

21 Contingent liabilities

The company has guaranteed the overdrafts of its subsidiaries; the amount outstanding at the year end was £297,000 *(2005: £21,000)*.

Notes *(continued)*

22 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	Group and Company	
	2006	2005
	£000	£000
Contracted not incurred	**395**	270
Authorised not yet contracted	**129**	181

(b) Annual commitments under non-cancellable operating leases are as follows:

	Plant and machinery	
	2006	2005
	£000	£000
Operating leases which expire:		
Within one year	**224**	326
In the second to fifth years inclusive	**438**	522
Over 5 years	**410**	550
	1,072	1,398

23 Pension scheme

Certain of the group's employees are members of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension charge represents pension contributions payable by the group to the funds and amounted to £128,000 *(2005: £141,000)*. Amounts outstanding at the year end amounted to £nil *(2005: £nil)*.

24 Analysis of cash flows

	2006	2005
	£000	£000
Returns on investment and servicing of finance		
Interest received	**9**	47
Interest paid	**(3,591)**	(4,514)
	(3,582)	(4,467)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(2,171)**	(1,725)
Disposals	**37,138**	40
	34,967	(1,685)
Financing		
Repayment of debt	**(34,400)**	(3,500)

Notes *(continued)*

25 Analysis of net debt

	At beginning of year £000	Cash flow £000	Non cash movements £000	At end of year £000
Cash in hand, at bank	1,817	(1,136)	-	681
Overdrafts	(3,926)	3,629	-	(297)
	(2,109)	2,493	-	384
Debt due within one year	(9,500)	9,500	(2,000)	(2,000)
Debt due after one year	(63,000)	24,900	2,000	(36,100)
Total	(74,609)	36,893	-	(37,716)

26 Related party disclosures

Hemway Limited

Hemway Limited has provided legal, property and accountancy support together with the services of Mr EM Kilby, Ms K Revitt and Mr R Withers as non-executive directors of the company. Hemway Limited has been paid a fee of £210,000 *(2005: £195,000)* for these services. Hemway Limited is owned by the family interests of Mr TJ Hemmings.

Sea Life Centre (Blackpool) Limited

The group has a 50% holding in Sea Life Centre (Blackpool) Limited. The company leases a property to Sea Life Centre (Blackpool) Limited. Charges under this lease in the year ended 31 March 2006 amounted to £215,000 *(2005: £215,000)*.

The company provides accounting and administration services for Sea Life Centre (Blackpool) Limited. Charges in the year ended 31 March 2006 amounted to £15,000 *(2005: £15,000)*.

Crown Leisure Limited

During the year the group paid an amount of £5,154,000 *(2005: £5,610,000)* to Crown Leisure Limited. This payment represents a share of amusement machine income in accordance with an agreement negotiated at arms length. Crown Leisure Limited is ultimately owned by the family interests of Mr TJ Hemmings.

Six Piers Limited

During the year the group sold the six piers portfolio to Six Piers Limited for consideration of £33,000,000. Six Piers Limited is ultimately owned by the family interests of Mr TJ Hemmings.

27 Ultimate controlling party

The ultimate controlling party are the family interests of Mr TJ Hemmings.

28 Ultimate parent company

The company is a subsidiary undertaking of West Manor Limited which is the ultimate parent company incorporated in Jersey.

West Manor Limited owns 60% of the share capital of the group and holds £10,860,000 *(2005: £12,060,000)* of the unsecured loan notes.

The consolidated accounts of this company are not available to the public. No other group accounts include the results of the company.