

KINMOUNT LEISURE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1999



KINMOUNT LEISURE LIMITED

COMPANY INFORMATION

Directors	Mr Andre Meyers Mr Wenzel Gelpke
Secretary	Mr Wenzel Gelpke
Company number	3687514
Date of incorporation	23 Decemnber 1998
Registered office	7 - 12 Tavistock Square London WC1H 9BQ

KINMOUNT LEISURE LIMITED

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The following pages do not form part of the statutory financial statements

Management profit and loss account

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KINMOUNT LEISURE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 1999

The directors present their report and the financial statements for the company for the period ended 31 December 1999.

Principal activities

The company's principal activity during the period was lettings of holiday cottages.

Results

The results for the period are set out in the profit and loss account on page 3.

Year 2000

Many computer systems that express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company reviewed its computer systems for the impact of the Year 2000 change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the Year 2000 date change and through any roll-over procedures that occur at a later date. The issue is complex and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater or lesser extent.

The directors and their interests

The directors who held office during the period and their beneficial interests in the company's issued share capital are given below:

Ordinary shares of £1 each:

	31 December 1999	23 December 1998
Mr Andre Meyers - appointed 23 December 1998	-	-
Mr Wenzel Gelpke - appointed 1 March 1999	-	-

Political and charitable contributions

The company made no political or charitable contributions during the period.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KINMOUNT LEISURE LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 1999

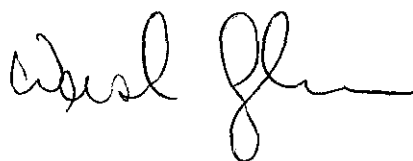
Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

By order of the Board

7 - 12 Tavistock Square
London
WC1H 9BQ

Mr Wenzel Gelpke
SECRETARY

A handwritten signature in black ink, appearing to read 'Wenzel Gelpke', written over the printed name and title.

Date: 15 December 2000

KINMOUNT LEISURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 23 DECEMBER 1998 TO 31 DECEMBER 1999

	Notes	1999 £
TURNOVER	2	147,218
GROSS PROFIT		147,218
Administrative expenses		(200,977)
OPERATING (LOSS)	4	(53,759)
Interest receivable		2,382
(LOSS) on ordinary activities before taxation		(51,377)
Tax on (loss) on ordinary activities		-
(LOSS) for the financial period		<u>(51,377)</u>

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

KINMOUNT LEISURE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1999

	Notes	1999	
		£	£
FIXED ASSETS			
Tangible assets	5		1,150,099
CURRENT ASSETS			
Debtors	6	15,187	
Cash at bank and in hand		134,489	
		<u>149,676</u>	
CREDITORS: Amounts falling due within one year	7	<u>(16,602)</u>	
NET CURRENT ASSETS			<u>133,074</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,283,173</u>
CREDITORS: Amounts falling due after more than one year	8		<u>(1,333,550)</u>
			<u>(50,377)</u>
CAPITAL AND RESERVES			
Share capital	9		1,000
Profit and loss account			<u>(51,377)</u>
SHAREHOLDERS' FUNDS	10		<u>(50,377)</u>

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the period ended 31 December 1999.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of its results for the financial period in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the board

Director: *Mr Andre Meyers*



Date: 15 December 2000

The notes on pages 5 to 7 form part of these financial statements.

KINMOUNT LEISURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1999

1 ACCOUNTING POLICIES

Basis of accounting

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

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates and methods generally applicable are:

Furniture and equipment	10% Straight line method
Fixtures and fittings	10% Straight line method
Leasehold improvements	10% Straight line method

2 TURNOVER

The percentage of turnover attributable to overseas markets was 1% .

3 CONTROL

In the directors' opinion, the company is controlled by Kinmount Estates Limited, of which Kinmount Leisure Limited is a wholly-owned subsidiary.

4 OPERATING LOSS

The operating loss is stated after charging:

Depreciation of tangible fixed assets:

-owned assets

Hire of equipment

1999

£

127,788

917

KINMOUNT LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1999 (continued)

5 TANGIBLE FIXED ASSETS

	Furniture and equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
Additions	398,871	195,079	683,937	1,277,887
At 31 December 1999	<u>398,871</u>	<u>195,079</u>	<u>683,937</u>	<u>1,277,887</u>
Depreciation				
Charge for the period	39,887	19,508	68,393	127,788
At 31 December 1999	<u>39,887</u>	<u>19,508</u>	<u>68,393</u>	<u>127,788</u>
Net book value				
At 31 December 1999	<u>358,984</u>	<u>175,571</u>	<u>615,544</u>	<u>1,150,099</u>

6 DEBTORS

	1999 £
Other debtors	<u>15,187</u>

7 CREDITORS: Amounts falling due within one year

	1999 £
Trade creditors	11,602
Accruals and deferred income	5,000
	<u>16,602</u>

8 CREDITORS: Amounts falling due after more than one year

	1999 £
Amounts owed to parent undertaking	1,133,550
Other creditors	200,000
	<u>1,333,550</u>

Other creditors is an amount due to a director which is interest free.

9 SHARE CAPITAL

	1999 £
Authorised	
100,000 Ordinary shares of £1.00 each	<u>100,000</u>
Allotted	
1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>1,000</u>

During the period the company issued 1000 ordinary shares of £1 each fully paid at par.

KINMOUNT LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1999 (continued)

10	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1999 £
	(Loss) for the financial period	(51,377)
	Issue of share capital	1,000
		<hr/>
	(Decrease) in the shareholders' funds	(50,377)
	Opening shareholders' funds	-
		<hr/>
	Closing shareholders' funds	<u>(50,377)</u>