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**SILVER SKI HOLIDAYS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 1998**



## SILVER SKI HOLIDAYS LIMITED

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### Company Information

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<b>Directors</b>	B Sill L Silver
<b>Secretary</b>	Mrs H Naylor
<b>Company Number</b>	1897706 (England & Wales)
<b>Registered Office</b>	17 Gun Wharf 124 Wapping High Street London E1 9NH
<b>Auditors</b>	N Tree FCA Registered Auditor 17 Gun Wharf 124 Wapping High Street London E1 9NH

## SILVER SKI HOLIDAYS LIMITED

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# SILVER SKI HOLIDAYS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1998

The directors present their report and the financial statements for the year ended 30 April 1998.

### Statement of 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 affairs of the company and group and of the profit or loss of the company and group 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;
- 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 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results and dividends

The profit for the year after taxation, amounted to £247,753 (1997 - £250,736) .

An interim dividend of £20,000 was declared in the year . No final dividend is proposed. 20,000 ordinary £1 shares were issued in the year at par for cash consideration.

### Principal activities and review of business

The company's principal activity continues to be that of tour operators specialising in package ski holidays in the French Alps. Subsidiary companies own property in France which is used for the purposes of the group's business.

The Company and group subsidiaries traded satisfactorily in the year and the company and group is well placed for the coming 1998/99 season.

### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were :

	<u>Ordinary shares of £1 each</u>	
	<u>1998</u>	<u>1997</u>
B Sill	10,000	6,000
L Silver	40,000	24,000

### Auditors

The auditors, N Tree FCA, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 9 September 1998 and signed on its behalf.

  
Mrs H Naylor  
Secretary

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**AUDITORS' REPORT TO THE SHAREHOLDERS OF SILVER SKI HOLIDAYS LIMITED**

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We have audited the financial statements on pages 3 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

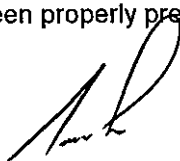
**Basis of opinion**

We conducted our audit in accordance with 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 group'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.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and of the group as at 30 April 1998 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**N Tree FCA**

Registered Auditor  
17 Gun Wharf  
124 Wapping High Street  
London E1 9NH

9 September 1998

**SILVER SKI HOLIDAYS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
For the year ended 30 April 1998

	Note	1998 £	1997 £
<b>TURNOVER</b>	1,2	<b>3,581,665</b>	<b>3,270,098</b>
Cost of sales		<u>(2,567,584)</u>	<u>(2,402,632)</u>
<b>GROSS PROFIT</b>		<b>1,014,081</b>	<b>867,466</b>
Selling and distribution costs		(171,716)	(182,709)
Administrative expenses		(436,596)	(401,230)
Other operating charges		<u>(17,348)</u>	<u>80,819</u>
<b>OPERATING PROFIT</b>	3	<b>388,421</b>	<b>364,346</b>
Loss on disposal of tangible fixed assets		<u>(202)</u>	<u>-</u>
		<b>388,219</b>	<b>364,346</b>
Interest receivable	6	1,844	-
Interest payable	7	<u>(21,313)</u>	<u>(43,607)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>368,750</b>	<b>320,739</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	8	<u>(120,997)</u>	<u>(70,003)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	10	<b>247,753</b>	<b>250,736</b>
<b>DIVIDENDS</b>	9	<u>(20,000)</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>227,753</b>	<b>250,736</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u><b>674,504</b></u>	<u><b>423,768</b></u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><u><b>£ 902,257</b></u></u>	<u><u><b>£ 674,504</b></u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 1998 or 1997 other than those included in the profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.

**SILVER SKI HOLIDAYS LIMITED**

**CONSOLIDATED BALANCE SHEET**  
As at 30 April 1998

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		1,613,695		1,599,328
<b>CURRENT ASSETS</b>					
Debtors		12,976		12,264	
Cash at bank and in hand		43,371		36,115	
		<u>56,347</u>		<u>48,379</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(244,688)</u>		<u>(432,151)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(188,341)</u>		<u>(383,772)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,425,354</u>		<u>1,215,556</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(166,076)</u>		<u>(204,031)</u>
<b>NET ASSETS</b>			<u>£ 1,259,278</u>		<u>£ 1,011,525</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		50,000		30,000
Revaluation reserve	17		307,021		307,021
Profit and loss account			<u>902,257</u>		<u>674,504</u>
<b>SHAREHOLDERS' FUNDS - All equity</b>	18		<u>£ 1,259,278</u>		<u>£ 1,011,525</u>

The financial statements were approved by the board on 9 September 1998 and signed on its behalf



L Silver

Director

The notes on pages 8 to 20 form part of these financial statements.

**SILVER SKI HOLIDAYS LIMITED**

**COMPANY BALANCE SHEET**  
**As at 30 April 1998**

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		79,314		64,947
Investments	12		239,009		239,009
<b>CURRENT ASSETS</b>					
Debtors		472,651		496,293	
Cash at bank and in hand		40,088		34,828	
		<u>512,739</u>		<u>531,121</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(178,050)</u>		<u>(361,217)</u>	
<b>NET CURRENT (LIABILITIES)</b>			<u>334,689</u>		<u>169,904</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>653,012</u>		<u>473,860</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(23,016)</u>		<u>(18,317)</u>
<b>NET ASSETS</b>			<u>£ 629,996</u>		<u>£ 455,543</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		50,000		30,000
Profit and loss account			579,996		425,543
<b>SHAREHOLDERS' FUNDS - all equity</b>	18		<u>£ 629,996</u>		<u>£ 455,543</u>

The financial statements were approved by the board on 9 September 1998 and signed on its behalf

  
L Silver

Director

The notes on pages 8 to 20 form part of these financial statements.



**SILVER SKI HOLIDAYS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 30 April 1998

	Note	£	1998 £	£	1997 £
Net cash inflow from operating activities (Page 7)			398,262		332,578
Returns on investments and servicing of finance	19		(19,469)		(43,607)
Taxation			(102,236)		(14,563)
Capital expenditure and financial investment	19		(21,320)		(20,744)
Equity dividends paid			(20,000)		-
Cash inflow before use of liquid resources and financing			<u>235,237</u>		<u>253,664</u>
Financing:	19				
Issue of shares		20,000		-	
Decrease in debt		(54,243)		(208,219)	
			<u>(34,243)</u>		<u>(208,219)</u>
Increase in cash in the period		£	<u>200,994</u>	£	<u>45,445</u>

The notes on pages 8 to 19 form part of these financial statements.

**SILVER SKI HOLIDAYS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT INFORMATION**  
For the year ended 30 April 1998

	Note	£	1998 £	1997 £	£
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>					
Operating profit			388,421		364,346
Depreciation of tangible fixed assets			26,451		21,647
(Increase)/decrease in debtors			(712)		6,861
Decrease in creditors			(15,898)		(60,276)
<b>Net cash inflow from operating activities</b>			<b>£ 398,262</b>		<b>£ 332,578</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>					
	20				
<b>Increase in cash in the period</b>			<b>200,994</b>		<b>45,445</b>
Cash inflow from increase in debt and lease financing			<b>54,243</b>		<b>208,219</b>
Change in net debt resulting from cash flows			<b>255,237</b>		<b>253,664</b>
New finance leases			<b>(19,700)</b>		<b>-</b>
<b>Movement in net debt in the period</b>			<b>235,537</b>		<b>253,664</b>
<b>Net debt at 1 May 1997</b>			<b>(407,359)</b>		<b>(661,023)</b>
<b>Net debt at 30 April 1998</b>			<b>£ (171,822)</b>		<b>£ (407,359)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

**1.2 Basis of consolidation**

The group financial statements consolidate the financial statements of Silver Ski Holidays Limited and all its subsidiary undertakings drawn up to the 30 April 1998. Intra-group transactions are eliminated on consolidation and all figures relate to external transactions only.

**1.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	NIL%	
Leasehold buildings	-	NIL%	
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	25%	reducing balance

No depreciation is provided on the freehold land and buildings owned by the group, as it is the group's policy to maintain its properties in such condition that the value to the business of the property as a whole is not impaired by the passage of time. As a consequence, any element of depreciation would, in the opinion of the directors, be immaterial. The maintenance costs are charged to the profit and loss account in the year incurred. This accounting treatment, which is a departure from the statutory requirement is, in the opinion of the directors, necessary to provide a true and fair view.

**1.5 Goodwill**

Goodwill arising on consolidation is written off to reserves on acquisition.

**1.6 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

**1.7 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**1.8 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**1.9 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**2. SEGMENTAL ANALYSIS**

The whole of the turnover is attributable to the one principal activity of the company being tour operators specialising in package ski holidays in the French Alps. Subsidiary companies own property in France which is used for the purposes of the group's business.

A geographical analysis of turnover is as follows:

	1998 £	1997 £
Europe	3,581,665	3,270,098
	<u>£ 3,581,665</u>	<u>£ 3,270,098</u>

The whole of the profit before tax is attributable to the one principal activity of the company being tour operators specialising in package ski holidays in the French Alps. Subsidiary companies own property in France which is used for the purposes of the group's business.

All profit before tax arose within the United Kingdom

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	17,042	17,322
- held under finance leases and hire purchase contracts	9,409	4,325
Audit fees	19,000	19,000
Operating lease rentals		
- hire of plant & machinery	984	-
Operating lease rentals/land & buildings	791,151	767,036
Foreign exchange differences	17,348	(80,819)
	<u>17,348</u>	<u>(80,819)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	1998 £	1997 £
Wages and salaries	250,794	230,100
Social security costs	10,288	7,747
	<u>£ 261,082</u>	<u>£ 237,847</u>

The average monthly number of employees, including directors, during the year was as follows:

	1998	1997
Office and administration	13	12
Field Support	40	40
	<u>53</u>	<u>52</u>

**5. DIRECTORS' REMUNERATION**

	1998 £	1997 £
Aggregate emoluments	27,447	26,820
	<u>£ 27,447</u>	<u>£ 26,820</u>

**6. INTEREST RECEIVABLE**

	1998 £	1997 £
Other interest receivable	£ 1,844	£ -

**7. INTEREST PAYABLE**

	1998 £	1997 £
On bank loans and overdrafts	21,313	43,607
	<u>£ 21,313</u>	<u>£ 43,607</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**8. TAXATION**

	1998 £	1997 £
<b>Current year taxation</b>		
UK Corporation Tax at 21% (1997 - 24%)	121,642	70,183
<b>Prior years</b>		
UK corporation tax	(645)	(180)
	<u>£ 120,997</u>	<u>£ 70,003</u>
No deferred tax is provided on the difference between the revalued book value of freehold properties and original book cost, because there is a reasonable probability that no liability will crystallise in the near future. A contingent liability in respect of deferred tax not provided, assuming no rollover reliefs or other tax deferrals would exist in the amounts as follows £73,685 (1997 - £76,755):		
Other timing differences	73,685	76,755
	<u>£ 73,685</u>	<u>£ 76,755</u>

**9. DIVIDENDS**

	1998 £	1997 £
Ordinary - interim paid	<u>20,000</u>	<u>-</u>

**10. PROFIT FOR THE FINANCIAL YEAR**

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the company is not presented as part of these financial statements.

The consolidated profit for the financial year of £247,753 (1997 - £250,736) includes £174,453 (1997 - £94,000) which is dealt with in the financial statements of the company.

**11. TANGIBLE FIXED ASSETS**

<u>Group</u>	<u>Land &amp; Buildings £</u>	<u>Fixtures &amp; Equipment £</u>	<u>Motor Vehicles £</u>	<u>Total £</u>
<b>Cost or valuation</b>				
At 1 May 1997	1,541,722	42,500	156,860	1,741,082
Additions	-	6,776	37,640	44,416
Disposals	-	-	(11,845)	(11,845)
At 30 April 1998	<u>1,541,722</u>	<u>49,276</u>	<u>182,655</u>	<u>1,773,653</u>
<b>Depreciation</b>				
At 1 May 1997	7,341	28,992	105,421	141,754
Charge for year	-	5,071	21,380	26,451
On disposals	-	-	(8,247)	(8,247)
At 30 April 1998	<u>7,341</u>	<u>34,063</u>	<u>118,554</u>	<u>159,958</u>
<b>Net Book Value</b>				
At 30 April 1998	<u>£ 1,534,381</u>	<u>£ 15,213</u>	<u>£ 64,101</u>	<u>£ 1,613,695</u>
At 30 April 1997	<u>£ 1,534,381</u>	<u>£ 13,508</u>	<u>£ 51,439</u>	<u>£ 1,599,328</u>

**SILVER SKI HOLIDAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

Included in land and buildings is freehold land valued at £1,534,381 (1997 - £1,534,381) which is not depreciated.

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

	1998	1997
	£	£
Motor vehicles	£ 28,226	£ 26,601

All the freehold properties owned by the group are holiday chalet properties situated in the French Alps, used in the tour operator business. Chalet Le Key was independently valued by Leon Collombe, Geometre Expert in April 1996, and Chalet Bon Coin was independently valued by C Mairouri, Atelier D'Architecture in June 1994. Chalets Jacques and Champagne were valued on acquisition in the year ended 30 April 1995. Chalet Bon Neige was independently valued on acquisition in 1995. All valuations are on an open market existing use basis and the directors consider that the valuations reflect the current values. Freehold properties are let on annual operating leases to Silver Ski Holidays Limited.

On the historical cost basis, land and buildings would have been included as follows:

	1998	1997
	£	£
Cost	1,227,360	1,227,360
Cumulative depreciation	-	-
Net book amount	£ 1,227,360	£ 1,227,360

<u>Company</u>	<u>Leasehold Land &amp; Buildings</u>	<u>Fixtures &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
<b>Cost or valuation</b>				
At 1 May 1997	7,341	42,500	156,860	206,701
Additions	-	6,776	37,640	44,416
Disposals	-	-	(11,845)	(11,845)
At 30 April 1998	7,341	49,276	182,655	239,272
<b>Depreciation</b>				
At 1 May 1997	7,341	28,992	105,421	141,754
Charge for year	-	5,071	21,380	26,451
On disposals	-	-	(8,247)	(8,247)
At 30 April 1998	7,341	34,063	118,554	159,958
<b>Net Book Value</b>				
At 30 April 1998	£ -	£ 15,213	£ 64,101	£ 79,314
At 30 April 1997	£ -	£ 13,508	£ 51,439	£ 64,947

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

	1998	1997
	£	£
Motor vehicles	£ 28,226	£ 26,601

**SILVER SKI HOLIDAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**12. FIXED ASSET INVESTMENTS**

<u>Company</u>	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost</b>			
At 1 May 1997	134,455	104,554	239,009
At 30 April 1998	134,455	104,554	239,009
<b>Net Book Value</b>			
At 30 April 1998	£ 134,455	£ 104,554	£ 239,009
At 30 April 1997	£ 134,455	£ 104,554	£ 239,009

Details of the investments, all of which are held by Silver Ski Holidays Limited, where the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of company	Country of incorporation	Holding	Proportion Held	Nature of Investment	business
Valsarock Limited	England	100 ord. shares	100%	subsidiary	
SCI Bon Neige	France	209107 ord. shares	100%	50% held direct, via Valsarock Limited	50%

Investments include an investment in a subsidiary, Valsarock Limited, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Valsarock Limited made a profit after tax of £92,984 (1997 - £143,060) and at the end of that year the aggregate of its capital and reserves was £651,506 (1997 - £558,522).

Investments include an investment in a subsidiary, SCI Bon Neige a company registered in France, comprising a holding of 100% of its issued ordinary capital

During its latest financial year ended 31 December 1997, SCI Bon Neige made a profit/(loss) after tax of £(45,713) (1997 - £136,79) and at the end of that year the aggregate of its capital and reserves was £216,888 (1997 - £236,571).



**SILVER SKI HOLIDAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**13. DEBTORS**

	1998	1997
<u>Group</u>	£	£
<b>Due within one year</b>		
Other debtors	5,000	-
Prepayments and accrued income	7,976	12,264
	<u>£ 12,976</u>	<u>£ 12,264</u>

	1998	1997
<u>Company</u>	£	£
<b>Due within one year</b>		
Amounts owed by group undertakings	459,675	484,029
Other debtors	5,000	-
Prepayments and accrued income	7,976	12,264
	<u>£ 472,651</u>	<u>£ 496,293</u>

**14. CREDITORS:**

<b>Amounts falling due within one year</b>	1998	1997
<u>Group</u>	£	£
Bank loans and overdrafts	37,733	231,471
Net obligations under finance lease and hire purchase contracts	11,384	7,972
Trade creditors	75,352	5,730
Corporation tax	88,944	70,183
Social security and other taxes	6,375	8,560
Accruals and deferred income	24,900	108,235
	<u>£ 244,688</u>	<u>£ 432,151</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

<u>Company</u>	1998 £	1997 £
Bank loans and overdrafts	2,362	195,072
Net obligations under finance lease and hire purchase contracts	11,384	7,972
Trade creditors	75,352	5,730
Amounts owed to group undertakings	7,582	-
Corporation tax	55,995	43,747
Social security and other taxes	6,375	8,560
Other creditors	-	44,657
Accruals and deferred income	19,000	55,479
	<u>£ 178,050</u>	<u>£ 361,217</u>

The bank overdraft is secured by way of debenture over the assets of the parent company. Mortgages are secured on the freehold properties owned by group companies and on the fixtures situated therein. All loans are denominated in Swiss Francs, are not hedged and interest rates are variable, based on the Swiss base rates.

**15. CREDITORS:****Amounts falling due after more than one year**

<u>Group</u>	1998 £	1997 £
Bank loans and overdrafts	156,560	199,214
Net obligations under finance lease and hire purchase contracts	9,516	4,817
	<u>£ 166,076</u>	<u>£ 204,031</u>

Group

1998  
£                      1997  
£

Included within the above are amounts falling due as follows:

**In 1 - 2 years:**

Loan instalments	13,500	13,500
Finance lease and hire purchase obligations	9,516	4,817

**In 2 - 5 years:**

Loan instalments	143,060	136,830
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**In more than 5 years:**

Loan instalments	-	48,884
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The bank overdraft is secured by way of debenture over the assets of the parent company. Mortgages are secured on the freehold properties owned by group companies and on the fixtures situated therein. All loans are denominated in Swiss Francs, are not hedged and interest rates are variable, based on the Swiss base rates.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**15. CREDITORS: (continued)**

Amounts falling due after more than one year	1998	1997
<u>Company</u>	£	£
Bank loans and overdrafts	13,500	13,500
Net obligations under finance lease and hire purchase contracts	9,516	4,817
	<u>£ 23,016</u>	<u>£ 18,317</u>
<u>Company</u>	£	£

Included within the above are amounts falling due as follows:

**In 1 - 2 years:**

Loan instalments	13,500	13,500
Finance lease and hire purchase obligations	9,516	4,817

The bank overdraft is secured by way of debenture over the assets of the parent company. Mortgages are secured on the freehold properties owned by group companies and on the fixtures situated therein. All loans are denominated in Swiss Francs, are not hedged and interest rates are variable, based on the Swiss base rates.

**16. CALLED UP SHARE CAPITAL**

	1998	1997
	£	£
<b>Authorised</b>		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
<b>Allotted, called up and fully paid</b>		
50,000 ordinary shares of £1 each	£ 50,000	£ 30,000

During the year 20000 ordinary shares of £1.00 each were issued fully paid for cash at par.

**17. RESERVES**

	<u>Group</u>	<u>Company</u>
	£	£
<b>Revaluation Reserve</b>		
At 1 May 1997	307,021	-
At 30 April 1998	<u>£ 307,021</u>	<u>£ -</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

<u>Group</u>	1998 £	1997 £
Profit for the year	247,753	250,736
Dividends	(20,000)	-
	<u>227,753</u>	<u>250,736</u>
Shares issued during year	20,000	-
Net addition to Shareholder funds	247,753	250,736
Opening shareholders' funds	1,011,525	760,789
Closing shareholders' funds	<u>£ 1,259,278</u>	<u>£ 1,011,525</u>
	1998	1997
<u>Company</u>	£	£
Profit for the year	174,453	94,000
Dividends	(20,000)	-
	<u>154,453</u>	<u>94,000</u>
Shares issued during year	20,000	-
Net addition to Shareholder funds	174,453	94,000
Opening shareholders' funds	455,543	361,543
Closing shareholders' funds	<u>£ 629,996</u>	<u>£ 455,543</u>

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT**

	1998 £	1997 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,844	-
Interest paid	(21,313)	(43,607)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>£ (19,469)</u>	<u>£ (43,607)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(24,716)	(20,744)
Sale of tangible fixed assets	3,396	-
<b>Net cash outflow for capital expenditure</b>	<u>£ (21,320)</u>	<u>£ (20,744)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

**Financing**

Issue of ordinary shares	20,000	-
Repayment of loans	(42,654)	(210,576)
Capital element of finance lease rentals	(11,589)	2,357
<b>Decrease in debt</b>	<b>(54,243)</b>	<b>(208,219)</b>
<b>Net cash outflow from financing</b>	<b>£ (34,243)</b>	<b>£ (208,219)</b>

**20. ANALYSIS OF NET DEBT**

	At 1 May 1997 £	Cash flow £	Other changes £	At 30 Apr 1998 £
<b>Net cash:</b>				
Cash at bank and in hand	36,115	7,256		43,371
Bank overdrafts	(231,471)	193,738		(37,733)
	<u>(195,356)</u>	<u>200,994</u>		<u>5,638</u>
<b>Debt:</b>				
Finance leases	(12,789)	11,589	(19,700)	(20,900)
Debt due after 1 year	(199,214)	42,654	-	(156,560)
	<u>(212,003)</u>	<u>54,243</u>	<u>(19,700)</u>	<u>(177,460)</u>
<b>Net debt</b>	<b>£ (407,359)</b>	<b>£ 255,237</b>	<b>£ (19,700)</b>	<b>£ (171,822)</b>

**21. OTHER COMMITMENTS**

At 30 April 1998 there were annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Plant and machinery</b>	
	1998	1997	1998	1997
	£	£	£	£
<b>Group</b>				
<b>Expiry date:</b>				
Within 1 year	792,000	767,000	984	-
<b>Company</b>				
<b>Expiry date:</b>				
Within 1 year	792,000	767,000	984	-

**22. TRANSACTIONS WITH DIRECTORS**

Within creditors due over one year is £13,500 (1997-£13,500) due to Mr L Silver. This loan account has no specified terms of repayment, and is non interest bearing.

**23. RELATED PARTIES**

The Company rents properties from Valsarock Limited and in the year ended 30 April 1998 the rent charged was £127,117 (1997-£104,243). At 30 April 1997 the amount owed to Silver Ski Holidays Limited by Valsarock Limited was £564,229 (1997-£ 616,497). No interest is charged on intercompany debt. Property is also rented from SCI Bon Neige and in the year ended 30 April 1998 the rent charged was £13,074 (1997-£15,943). At 30 April 1998 the amount owed by Silver Ski Holidays Limited to SCI Bon Neige was £7,582 (1997- £27,914). No interest is charged on intercompany debt.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 1998

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**24. ULTIMATE CONTROLLING PARTY**

Mr Silver, the chairman beneficially owns 40,000 of the fifty thousand issued shares and accordingly controls the company.