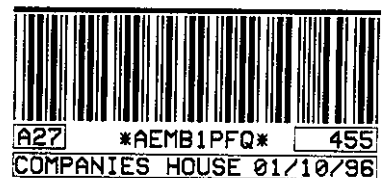


Skegness Pier Company Limited

Financial statements

31 December 1995

Registered number 12745



Skegness Pier Company Limited

Financial statements

<i>Contents</i>	<i>Page</i>
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Note of historical cost profits and losses	5
Balance sheet	6
Notes	7 - 12

Skegness Pier Company Limited

Company information

Financial statements

for the year ended 31 December 1995

Directors

RG Mitchell
Mrs BA Mitchell
WRC Mitchell
Mrs CSL Wilkinson

Secretary

Mrs CSL Wilkinson

Registered office

The Pier
Grand Parade
Skegness
Lincolnshire
PE25 2UE

Registered in England and Wales number 12745

Auditors

KPMG
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Skegness Pier Company Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activity

The principal activity of the company is the provision of entertainment to members of the public.

Business review

Turnover reduced slightly during the year due to changes in the format of the operation, but profit on ordinary activities before taxation improved by 9%.

Proposed dividend

The directors do not recommend the payment of a dividend (1994: £nil).

Significant changes in fixed assets

The movements in fixed assets during the year are shown in note 7 to the financial statements.

Market value of land and buildings

The directors consider that the market value of the company's freehold property is in excess of the amount at which it is stated in the financial statements.

Directors and directors' interests

The directors who were in office during the year were:

RG Mitchell
Mrs BA Mitchell
WRC Mitchell
Mrs CSL Wilkinson

No director had any interest in the share capital of the company. The interests of Mr RG and Mrs BA Mitchell in the share capital of the parent undertaking, Mitchell Leisure Investments Limited, are shown in that undertaking's financial statements.

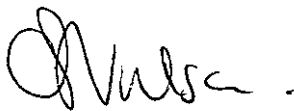
Skegness Pier Company Limited

Directors' report *(continued)*

Auditors

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

By order of the board



Mrs CSL Wilkinson
Secretary

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 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;
- 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 a 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 to enable them to ensure that the 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.



St Nicholas House
Park Row
NOTTINGHAM
NG1 6FQ

Report of the auditors to the members of Skegness Pier Company Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

As described on page 3, 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12th September 1996

*Chartered Accountants
Registered Auditors*

Skegness Pier Company Limited

Profit and loss account for the year ended 31 December 1995

	Notes	1995 £	1994 £
Turnover	2	1,564,997	1,671,918
Cost of sales		(190,116)	(228,394)
Gross profit		1,374,881	1,443,524
Administrative expenses		(1,002,572)	(1,102,945)
Operating profit and profit on ordinary activities before taxation	4	372,309	340,579
Tax on profit on ordinary activities	6	(65,768)	(85,652)
Profit on ordinary activities after taxation	13	306,541	254,927
Retained profit brought forward		822,752	567,825
Retained profit carried forward		1,129,293	822,752

In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

Statement of total recognised gains and losses

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account.

Note of historical cost profits and losses

In both the current and the preceding years, there was no material difference between the profit reported in the profit and loss account and the profit on an unmodified historical cost basis.

The notes on pages 7 to 12 form part of these financial statements.

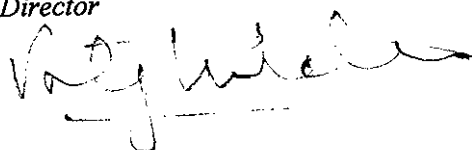
Skegness Pier Company Limited

Balance sheet at 31 December 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	7	1,486,052	1,517,353
Current assets			
Stocks	8	66,287	63,852
Debtors	9	23,585	23,871
Cash at bank and in hand		51,388	41,838
		<u>141,260</u>	<u>129,561</u>
Creditors: amounts falling due within one year	10	<u>(383,067)</u>	<u>(708,787)</u>
Net current liabilities		<u>(241,807)</u>	<u>(579,226)</u>
Total assets less current liabilities		<u>1,244,245</u>	<u>938,127</u>
Provisions for liabilities and charges	11	<u>(50,410)</u>	<u>(50,833)</u>
Net assets		<u><u>1,193,835</u></u>	<u><u>887,294</u></u>
Capital and reserves			
Called up share capital	12	60,718	60,718
Share premium account		3,572	3,572
Other reserves		252	252
Profit and loss account		1,129,293	822,752
Equity shareholders' funds	13	<u><u>1,193,835</u></u>	<u><u>887,294</u></u>

These financial statements were approved by the board of directors on 30TH August 1996 and were signed on its behalf by:

RG Mitchell
Director



The notes on pages 7 to 12 form part of these financial statements.

Skegness Pier Company Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

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

Basis of accounting:

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement:

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Depreciation:

Fixed assets are stated at cost. Depreciation has been provided at rates appropriate to write off the cost of the assets over their estimated useful lives as follows:

Freehold property	2%
Plant and machinery:	
Fixtures, fittings and sundry equipment	5% - 33.3%
Amusement machines and game equipment	25%

Stock:

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

Deferred taxation:

Provision is made for deferred taxation using the liability method to the extent that it is expected to fall due for payment in the foreseeable future.

Pensions:

The company contributes to a defined benefit scheme. Contributions are charged as part of staff costs as they are incurred.

2 Turnover

Turnover represents amounts receivable in respect of goods and services supplied to customers, excluding value added tax. It is all attributable to the provision of entertainment in the United Kingdom.

Skegness Pier Company Limited

Notes (continued)

3 Staff number and costs

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

	1995	1994
Management	2	2
Administration	2	3
General operatives	36	39
	<u>40</u>	<u>44</u>
	<u>==</u>	<u>==</u>
	£000	£000

The aggregate payroll costs of these persons were as follows:

Wages and salaries	298	331
Social security costs	21	23
Other pension costs	-	1
	<u>319</u>	<u>355</u>
	<u>==</u>	<u>==</u>

4 Profit on ordinary activities before taxation

Profit before taxation is stated after charging the following:

	£	£
Depreciation	262,160	241,213
Directors' emoluments - regarding the management of the affairs of the company	-	-
Auditors' remuneration - for audit work	1,000	1,000
(Profit)/loss on disposal of tangible fixed assets	(2,406)	(1,994)
	<u>==</u>	<u>==</u>

5 Emoluments of directors

The emoluments of the directors, including benefits in kind and pension contributions, were £nil (1994: £nil).

Excluding pension contributions the emoluments of the highest paid director was £nil (1994: £nil) and the chairman £nil (1994: £nil). The emoluments of the directors were within the following ranges:

	1995	1994
£0 - £5,000	4	4
	<u>==</u>	<u>==</u>

Skegness Pier Company Limited

Notes (continued)

6	Tax on profit on ordinary activities	1995 £	1994 £
	<i>Taxation based on the profit on ordinary activities for the year:</i>		
	Corporation tax at 13.4% (1994: 23.1%)	52,134	76,779
	Deferred taxation - current year (see note 11)	(423)	8,615
		<u>51,711</u>	<u>85,394</u>
	Corporation tax under/(over) provision in prior years	<u>14,057</u>	<u>258</u>
		<u><u>65,768</u></u>	<u><u>85,652</u></u>
	Group relief has been accounted for in the years' corporation tax charge.		
7	Tangible assets	Freehold land and buildings £	Plant and machinery £
		Total £	
	<i>Cost:</i>		
	At 1 January 1995	802,560	1,976,714
	Transfers	-	5,000
	Additions	-	229,919
	Disposals	-	(19,523)
		<u>802,560</u>	<u>2,192,110</u>
	At 31 December 1995		<u>2,994,670</u>
	<i>Depreciation:</i>		
	At 1 January 1995	180,439	1,081,482
	Transfers	-	833
	Charge in the year	16,051	246,109
	Disposals	-	(16,296)
		<u>196,490</u>	<u>1,312,128</u>
	At 31 December 1995		<u>1,508,618</u>
	<i>Net book value:</i>		
	At 31 December 1995	<u>606,070</u>	<u>879,982</u>
		<u><u>622,121</u></u>	<u><u>895,232</u></u>
	At 31 December 1994		<u><u>1,517,353</u></u>
8	Stocks	1995 £	1994 £
	Raw materials and consumables	11,220	14,382
	Prize stock	<u>55,067</u>	<u>49,470</u>
		<u><u>66,287</u></u>	<u><u>63,852</u></u>

Skegness Pier Company Limited

Notes (continued)

9	Debtors	1995 £	1994 £
	Prepayments and accrued income	23,585	23,871
		<u> </u>	<u> </u>
	All of the debtors fall due within one year.		
10	Creditors: amounts falling due within one year	£	£
	Trade creditors	-	-
	Amounts owed to parent undertaking	340,645	623,219
	Corporation tax	28,691	76,779
	Accruals and deferred income	13,731	8,789
		<u> </u>	<u> </u>
		383,067	708,787
		<u> </u>	<u> </u>

11 Provisions for liabilities and charges

The amounts provided for deferred taxation and the full potential liability, calculated on the liability method, are set out below:

	1995		1994	
	Amount provided £	Full potential liability £	Amount provided £	Full potential liability £
Provision based on difference between accumulated depreciation and capital allowances	50,410	50,410	50,833	50,833
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements on the deferred taxation provision during the year were as follows:

	1995 £	1994 £
Balance at 1 January	50,833	42,218
Movement in the year (see note 6)	(423)	8,615
	<u> </u>	<u> </u>
Balance at 31 December	50,410	50,833
	<u> </u>	<u> </u>

Skegness Pier Company Limited

Notes (continued)

12	Share capital	Number of shares	1995 £	1994 £
	<i>Authorised:</i>			
	Ordinary shares of £1 each	42,860	42,860	42,860
	"A" ordinary shares of 25p each	71,432	17,858	17,858
	Convertible preferred ordinary shares of 50p each	28,574	14,287	14,287
			<u>75,005</u>	<u>75,005</u>
	<i>Allotted, called up and fully paid:</i>			
	Ordinary shares of £1 each	42,860	42,860	42,860
	"A" ordinary shares of 25p each	71,432	17,858	17,858
			<u>60,718</u>	<u>60,718</u>

13	Reconciliation of movements in equity shareholders' funds	£	£
	Profit for the financial year	306,541	254,927
	Net addition to equity shareholders' funds	306,541	254,927
	Opening equity shareholders' funds	887,294	632,367
	Closing equity shareholders' funds	<u>1,193,835</u>	<u>887,294</u>

14 Contingencies

Under a group registration for value added tax the company is jointly and severally liable for value added tax due by other undertakings within the group. At 31 December 1995 the total liability under this registration amounted to £19,396 (1994: £34,431).

There is a cross guarantee in respect of the parent undertaking's borrowings as at 31 December 1995 of £1,608,396 (1994: £1,714,417).

15 Pensions

The RG Mitchell Group of Companies operates a contracted out contributory pension scheme that all monthly paid employees, over the age of 25 years and who have twelve months continuous service were entitled to join. The scheme is purchased from Sun Alliance Life and Pensions with assets invested in a Growth Fund Policy of Phoenix Assurance p.l.c. The pension cost for the company was £nil (1994: £612). The details of the scheme are shown in the notes to Mitchell Leisure Investments Limited's financial statements.

16 Capital commitments

There are no commitments or liabilities for capital expenditure at 31 December 1995 (1994: £nil).

Skegness Pier Company Limited

Notes *(continued)*

17 Parent company

The ultimate parent company is Mitchell Leisure Investments Limited which is incorporated in Great Britain and registered in England and Wales. Copies of group financial statements are available from Skegness Pier, Skegness.