

Registered

Company No. 596765 (England and Wales)

Kings Chalets Limited
Directors' Report and Financial Statements
for the year ended 31 January 1995



Kings Chalets Limited

Company Information

Directors	H W King Esq J G King Esq G I King Esq Mrs C B King R C Marson Esq T Carlton Esq
Secretary	R C Marson Esq
Company Number	596765 (England and Wales)
Registered Office	2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Auditors	Harris Lipman 2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Business Address	Kings Park Canvey Island Essex SS8 8HE
Bankers	Barclays Bank plc Cheriot House Baxter Avenue Southend-on-sea Essex SS2 6HG

Kings Chalets Limited

Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Cash Flow Statement	7 - 8
Notes to the Financial Statements	9 - 14

Kings Chalets Limited

Directors' Report for the year ended 31 January 1995

The directors present their report and the financial statements for the year ended 31 January 1995.

Principal Activities and Review of the Business

The principal activity of the company is that of operators of a caravan and chalet park and dealers in caravans and chalets.

The directors are satisfied with the performance of the company taking into account the difficult trading conditions and the current economic climate.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the loss of £320,681 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

Future Developments

The company continues to improve the park with the aim of increasing profitability in the long term.

Directors and their Interests

The directors who served during the year and their interests in the company at the beginning and end of the year were as stated below.

	Class of share	Number of shares	
		1995	1994
H W King Esq	Ordinary shares	192,019	192,019
J G King Esq	Ordinary shares	3,981	3,981
G I King Esq	Ordinary shares	2,000	2,000
Mrs C B King	Ordinary shares	-	-
R C Marson Esq	Ordinary shares	-	-
T Carlton Esq	Ordinary shares	-	-

Political and Charitable Contributions

During the year the company contributed £7,725 to charities .

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Harris Lipman, will be deemed to be reappointed for each succeeding financial year.

Kings Chalets Limited

Directors' Report for the year ended 31 January 1995 (continued)

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 of the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 24th November 1995

.....
J.G King Esq
Director

Kings Chalets Limited

**Auditors' Report
to the shareholders of Kings Chalets Limited**

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2 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 January 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


.....
Harris Lipman
Registered Auditors
2 Mountview Court
310 Friern Barnet Lane
London N20 0YZ

Date: 27th November 1995

THESE ACCOUNTS ARE
PROVISIONAL UNTIL THIS
REPORT HAS BEEN
SIGNED IN INK

Kings Chalets Limited

Profit and Loss Account for the year ended 31 January 1995

	Notes	1995 £	1994 £
Turnover	2	3,565,357	3,125,498
Cost of sales		(1,739,470)	(1,471,739)
Gross profit		1,825,887	1,653,759
Administrative expenses		(2,198,875)	(1,601,517)
Other operating income		55,000	-
Operating loss	3	(317,988)	52,242
Other interest receivable and similar income	4	5,303	10,620
Interest payable and similar charges	5	(4,981)	(887)
Loss on ordinary activities before taxation		(317,666)	61,975
Tax on loss on ordinary activities	6	(3,015)	17,021
Retained loss for the year	13	<u>£(320,681)</u>	<u>£ 78,996</u>

Kings Chalets Limited

Statement of Total Recognised Gains and Losses
for the year ended 31 January 1995

	1995 £	1994 £
Loss for the financial year	(320,681)	78,996
Unrealised on revaluation of properties	-	19,500
Total recognised gains and losses relating to the year	(320,681)	98,496
Prior year adjustment	-	(255,373)
Total gains and losses recognised since last financial statements	<u>£(320,681)</u>	<u>£(156,877)</u>

Kings Chalets Limited

Balance Sheet as at 31 January 1995

	Notes	1995 £	1994 £
Fixed Assets			
Tangible assets	7	1,210,954	1,195,429
Current Assets			
Stocks	8	76,888	78,611
Debtors	9	338,649	426,962
Cash at bank and in hand		182,095	238,020
		<u>597,632</u>	<u>743,593</u>
Creditors: amounts falling due within one year	10	(1,417,318)	(1,227,073)
Net Current Liabilities		<u>(819,686)</u>	<u>(483,480)</u>
Total Assets less Current Liabilities		<u>£ 391,268</u>	<u>£ 711,949</u>
Capital and Reserves			
Called up share capital	11	200,000	200,000
Revaluation reserve	12	19,500	19,500
Profit and loss account	13	171,768	492,449
Shareholders' Funds	14	<u>£ 391,268</u>	<u>£ 711,949</u>

The financial statements were approved by the Board on 2nd November 1995

.....
H W King Esq R. C. MARSON
Director

.....
J G King Esq
Director

Kings Chalets Limited

Cash Flow Statement
for the year ended 31 January 1995

	1995	1994
	£	£
Net cash outflow from operating activities	(40,634)	114,435
Returns on investments and servicing of finance		
Interest received	5,007	2,513
Interest paid	(4,981)	(887)
Net cash inflow from returns on investments and servicing of finance	26	1,626
Taxation		
Corporation tax paid (including advance corporation tax)	-	(9,902)
Tax paid	-	(9,902)
Investing activities		
Payments to acquire tangible assets	(174,263)	(70,616)
Net cash outflow from investing activities	(174,263)	(70,616)
Net cash outflow before financing	(214,871)	35,543
Financing		
Net cash outflow from financing	-	-
Decrease in cash and cash equivalents	£(214,871)	£ 35,543

Kings Chalets Limited

Notes to the Cash Flow Statement for the year ended 31 January 1995

1 Reconciliation of operating loss to net cash outflow from operating activities	1995	1994	
	£	£	
Operating loss	(317,988)	52,242	
Depreciation of tangible assets	158,738	130,519	
Decrease in stocks	1,723	(2,580)	
Decrease in debtors	88,609	(49,992)	
Increase in creditors due within one year	28,284	(15,754)	
Net cash outflow from operating activities	£ (40,634)	£ 114,435	
2 Analysis of changes in cash and cash equivalents during the year	1995	1994	
	£	£	
Balance at 1 February 1994	(2,728)	(38,272)	
Net cash outflow	(214,871)	35,544	
Balance at 31 January 1995	£(217,599)	£ (2,728)	
3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	182,095	238,020	(55,925)
Bank overdrafts	(399,694)	(240,748)	(158,946)
	£(217,599)	£ (2,728)	£(214,871)
4 Analysis of changes in financing during the year	Share capital	Loans and finance lease obligations	
	£	£	
Balance at 1 February 1994	200,000	-	
Balance at 31 January 1995	£ 200,000	£ -	

Kings Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report, all of which are continuing. The financial statements have been prepared on a going concern basis as the company has relied upon the continuing support of the bank.

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over fifty years
Plant and machinery	-	25% Straight line
Fixtures, fittings and equipment	-	25% Straight line
Motor vehicles	-	25% Straight line

Investment properties are revalued annually. See note 7 for details.

1.5 Stock

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

1.6 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due for payment.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Kings Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1995

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Loss

	1995 £	1994 £
Operating loss is stated after charging:		
Depreciation of tangible assets	158,738	130,519
Hire of plant and machinery	18,272	15,902
Auditors' remuneration	6,000	6,000
	<u>182,010</u>	<u>152,421</u>

4. Other Interest Receivable and Similar Income

	1995 £	1994 £
Bank interest received	5,007	2,513
Interest on staff loans	296	8,107
	<u>5,303</u>	<u>10,620</u>

5. Interest Payable

	1995 £	1994 £
On bank loans and overdrafts	535	846
On overdue tax	4,446	41
	<u>4,981</u>	<u>887</u>

6. Taxation

	1995 £	1994 £
U.K. Current year taxation		
U.K. Corporation tax at 25% (1994 - 32%)	3,015	47,660
Prior years		
U.K. Corporation tax	-	(64,681)
	<u>3,015</u>	<u>(17,021)</u>

Kings Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1995

7. Tangible Assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 February 1994	1,112,360	344,745	299,042	11,572	1,767,719
Additions	56,900	98,794	9,068	9,500	174,262
At 31 January 1995	1,169,260	443,539	308,110	21,072	1,941,981
Depreciation					
At 1 February 1994	86,615	227,413	251,189	7,072	572,289
Charge for year	20,735	85,591	48,537	3,875	158,738
At 31 January 1995	107,350	313,004	299,726	10,947	731,027
Net book value					
At 31 January 1995	£1,061,910	£ 130,535	£ 8,384	£ 10,125	£1,210,954
At 31 January 1994	£1,025,745	£ 117,332	£ 47,852	£ 4,500	£1,195,429

Freehold properties were revalued at 26 September 1994 on the basis of an open market valuation for existing use by Fisk, Chartered Surveyors. In the opinion of the company's directors this valuation is applicable at 31 January 1995. Land and buildings consists of a freehold property which is used by the company for its business activities with a cost of £1,036,760 and investment properties with an open market value of £132,500.

In accordance with SSAP 19, 'Accounting for investment properties', the company's investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties, which is not in accordance with the Companies Act 1985. However, the requirement to depreciate conflicts with the generally accepted accounting principle set out in SSAP 19. The directors considers that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit before tax for the financial year would have reduced by £2,650, had a depreciation rate of 2% been applied. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount might otherwise have been shown cannot be separately identified or quantified.

8. Stocks	1995 £	1994 £
Finished goods and goods for resale	76,888	78,611

Kings Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1995

9. Debtors	1995 £	1994 £
Trade debtors	62,355	94,216
Amounts owed by related companies	194,272	280,418
Other debtors	27,559	19,414
Prepayments and accrued income	54,463	32,914
	<u>£ 338,649</u>	<u>£ 426,962</u>

Amounts falling due after more than one year and included in the debtors above are:

	1995 £	1994 £
Amounts owed by related companies	72,150	78,658
	<u>£ 72,150</u>	<u>£ 78,658</u>

10. Creditors: amounts falling due within one year	1995 £	1994 £
Bank loans and overdrafts	399,694	240,748
Trade creditors	288,613	235,203
Corporation tax	221,008	217,993
Other taxes and social security costs	18,892	30,571
Directors' current accounts	44,149	79,246
Amount owed to related company	73,078	133,930
Accruals and deferred income	371,884	289,382
	<u>£1,417,318</u>	<u>£1,227,073</u>

11. Share Capital	1995 £	1994 £
Authorised		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Kings Chalets Limited

**Notes to the Financial Statements
for the year ended 31 January 1995**

12. Revaluation Reserve	1995	1994
	£	£
Balance brought forward at 1 February 1994	19,500	-
Revaluation during the year	-	19,500
	<hr/>	<hr/>
Balance carried forward at 31 January 1995	<u>£ 19,500</u>	<u>£ 19,500</u>
	<hr/>	<hr/>
 13. Profit and Loss Account	 1995	 1994
	£	£
Retained profits at 1 February 1994	492,449	668,826
Prior year adjustment	-	(255,373)
	<hr/>	<hr/>
Retained profits at 1 February 1994 as restated	492,449	413,453
Retained loss for the year	(320,681)	78,996
	<hr/>	<hr/>
Retained profits at 31 January 1995	<u>£ 171,768</u>	<u>£ 492,449</u>
	<hr/>	<hr/>
 14. Reconciliation of Movements in Shareholders' Funds	 1995	 1994
	£	£
Loss for the financial year	(320,681)	78,996
Other recognised gains and losses	-	19,500
	<hr/>	<hr/>
Net depletion in shareholders' funds	(320,681)	98,496
Opening shareholders' funds	711,949	613,453
	<hr/>	<hr/>
Closing shareholders' funds	<u>£ 391,268</u>	<u>£ 711,949</u>
	<hr/>	<hr/>
 15. Contingent Liabilities		
There were no capital commitments or contingent liabilities except for a cross guarantee dated 17th May 1991 in favour of Barclays Bank plc in respect of the related companies overdraft amounting to £775,080.		

Kings Chalets Limited

Notes to the Financial Statements for the year ended 31 January 1995

16. Directors' Emoluments

	1995 £	1994 £
Remuneration	<u>123,848</u>	<u>124,275</u>

Emoluments disclosed above
(excluding pension contributions) include
amounts paid to:

The highest-paid director	<u>£ 31,885</u>	<u>£ 30,600</u>
---------------------------	-----------------	-----------------

Other directors' emoluments (excluding
pension contributions) were in the
following ranges:

	Number	Number
£Nil - £5,000	2	2
£15,001 - £20,000	-	1
£20,001 - £25,000	1	-
£25,001 - £30,000	1	2
£30,001 - £35,000	<u>1</u>	<u>-</u>

17. Transactions with Directors

During the year the company received management charges amounting to £55,000 (1994 - Nil) and paid £29,686 (1994- Nil) for services provided, from and to companies respectively, in which the directors have a beneficial interest.

18. Employees

Number of employees

The average weekly number of employees (including
directors) during the year was:

	1995 Number	1994 Number
Directors and employees	<u>105</u>	<u>84</u>

Employment costs

	£	£
Wages and salaries	612,579	573,016
Social security costs	46,729	47,744
Other pension costs	24,823	16,000
	<u>£ 684,131</u>	<u>£ 636,760</u>