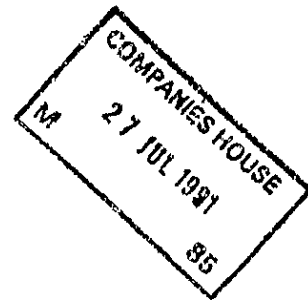


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COSALT HOLIDAY HOMES LIMITED

FINANCIAL STATEMENTS

for the fifty-two weeks ended
2nd September, 1990

KIDSONS IMPEY

Chartered Accountants

HULL

COSALT HOLIDAY HOMES LIMITED

Directors

R. C. F. Lloyd (Chairman)
M. J. Isaac
P. T. Nevitt
B. Paterson
A. Smith

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the fifty-two weeks ended 2nd September, 1990 ("the year").

BUSINESS REVIEW

The principal activity of the company continued to be the manufacture and sale of static caravans and chalets.

The company has continued to be a major force in the U.K. caravan industry making significant profits, but the high interest rates and economic uncertainty led to a more difficult trading climate in the summer months this year.

The trading results for the year are shown in the profit and loss account on page 4.

The directors recommend the payment of a final dividend of £672,000 with £850 being transferred to reserves.

The company's future development will be in its current and similar products in which there appear to be opportunities.

DIRECTORS

The membership of the Board is shown above. All served on the Board for the whole of the financial year.

Messrs. P. T. Nevitt and A. Smith retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

None of the directors has any beneficial interest in the share capital of the company. The interest of Mr. R. C. F. Lloyd in the share capital of Cosalt plc, the ultimate holding company, is disclosed by that company. The interests of the other directors in the ordinary share capital of Cosalt plc are as follows:

	<u>At 2nd September, 1990</u>	<u>At 4th September, 1989</u>
P. T. Nevitt	397	178
B. Paterson	2,198	1,514

These holdings include shares issued under the Cosalt plc Employees' Profit Sharing Scheme.

COSALT HOLIDAY HOMES LIMITEDDIRECTORS' REPORT(CONTINUED)

DIRECTORS' SHAREHOLDINGS (continued)

Mr. B. Paterson held options to purchase Cosalt plc ordinary shares under the Cosalt plc Executive Share Option Scheme at 2nd September, 1990 as follows:

<u>Option granted</u>	<u>Number of shares</u>	<u>Period of option</u>	<u>Price per share</u>
November, 1988	12,500	November, 1991 to November, 1998	193p
December, 1989	6,250	December, 1992 to December, 1999	238p

FIXED ASSETS

The movements in tangible fixed assets are set out in note 8 to the financial statements. In note 16 to the financial statements additional information is provided on assets used by the company which are subject to lease agreements.

CHARITABLE DONATIONS

Donations to charitable organisations during the year amounted to £587.

EMPLOYEES

Details of employees and their remuneration are shown in note 5 to the financial statements.

By various means efforts are made to encourage employee involvement in the company and to disseminate information to increase awareness of its activities and the decisions taken which affect employees' interests.

The company has employed disabled persons wherever appropriate and has made special efforts in respect of existing employees who have become disabled during their service. Full consideration is given to the career development of such individuals.

AUDITORS

The auditors, Messrs. Kidsons Impey, Chartered Accountants, successors to Kidsons, have intimated their willingness to continue in office.

By Order of the Board

A. B. Clark

Secretary

Fish Dock Road,
Grimsby.

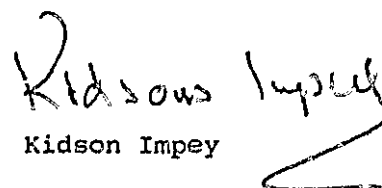
7th December, 1990.

COSALT HOLIDAY HOMES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 2nd September, 1990 and of the profit and source and application of funds for the fifty-two weeks ended on that date and have been properly prepared in accordance with the Companies Act 1985.


Kidson Impey

Hull: 19th November, 1990.

Chartered Accountants

COSALT HOLIDAY HOMES LIMITEDPROFIT AND LOSS ACCOUNTFOR THE FIFTY-TWO WEEKS ENDED 2ND SEPTEMBER, 1990

		52 weeks ended 2nd September, 1990	53 weeks ended 3rd September, 1989
	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	23,727,919 =====	19,924,607 =====
OPERATING PROFIT	3	1,577,975	1,469,786
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>523,658</u>	<u>222,281</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,054,317	1,247,507
TAXATION	6	<u>381,467</u>	<u>445,924</u>
PROFIT FOR THE FINANCIAL YEAR		672,850	801,583
DIVIDENDS	7	<u>672,000</u>	<u>800,000</u>
TRANSFERRED TO RESERVES	14	850 =====	1,583 =====

The notes on pages 7 to 14 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITED
BALANCE SHEET - 2ND SEPTEMBER, 1990

	<u>Note</u>	<u>2nd September,</u> <u>1990</u>	<u>3rd September,</u> <u>1989</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	8	376,686	208,106
CURRENT ASSETS			
Stocks	9	2,769,317	1,767,166
Debtors	10	3,950,397	3,639,929
Bank and cash balances		<u>1,442,389</u>	<u>2,409,719</u>
		8,162,103	7,816,814
CREDITORS			
Amounts falling due within one year	11	<u>8,378,295</u>	<u>7,962,009</u>
NET CURRENT LIABILITIES		(216,192)	(145,195)
TOTAL ASSETS LESS CURRENT LIABILITIES		160,494	
CREDITORS			
Amounts falling due after more than one year	11	130,879	41,568
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>17,054</u>	<u>9,632</u>
		<u>147,933</u>	<u>51,200</u>
NET ASSETS		12,561	11,711
CAPITAL AND RESERVES			
Called up share capital	13	300	300
Profit and loss account	14	<u>12,261</u>	<u>11,411</u>
SHAREHOLDERS' FUNDS		12,561	11,711

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27 JUL 1991
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Approved by the Board on 19th November, 1990.

R. C. F. Lloyd

Directors

B. Paterson

The notes on pages 7 to 14 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE FIFTY-TWO WEEKS ENDED 2ND SEPTEMBER, 1990

	52 weeks ended 2nd September, 1990 £	53 weeks ended 3rd September, 1989 £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	1,054,317	1,247,507
Item not involving the movement of funds:		
Depreciation	<u>86,190</u>	<u>61,013</u>
TOTAL GENERATED FROM OPERATIONS	1,140,507	1,308,520
Sale of tangible fixed assets	<u>6,450</u>	<u>12,806</u>
	1,146,957 =====	1,321,326 =====
APPLICATION OF FUNDS		
Working capital - increase/(decrease):		
Stocks	1,002,151	230,865
Debtors	310,468	869,338
Creditors (excluding corporation tax, dividends and finance lease obligations)	<u>(657,796)</u>	<u>(566,363)</u>
	654,823	533,840
Dividends paid	800,000	530,000
Taxation paid	469,939	9,000
Purchase of tangible fixed assets	<u>261,220</u>	<u>81,656</u>
	2,185,982 =====	1,154,495 =====
(Deficit)/surplus	(1,039,025)	166,831
Movement in finance lease obligations	<u>71,695</u>	<u>(47,694)</u>
NET FUNDS (DEFICIT)/SURPLUS	(967,330) =====	118,937 =====
Represented by:		
Movement in net liquid funds:		
(Decrease)/increase in bank and cash balances	(967,330) =====	118,937 =====

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Depreciation

Tangible fixed assets are depreciated on a straight line basis at annual rates which vary depending on the type of asset but which are generally:

Plant and machinery	10% - 20%
Motor vehicles	20% - 25%

(c) Leased assets

Assets acquired which are financed by leasing agreements transferring substantially all the risks and rewards of ownership (finance leases) are capitalised and depreciated over their useful lives. The liability to the leasing company is included in creditors. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to profit and loss account. All other payments under lease agreements are charged in full to profit and loss account.

(d) Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

(e) Deferred taxation

Provision is made on the liability method for deferred taxation, arising from the different treatment of certain items for taxation and accounting purposes, unless there is reasonable probability that such deferred taxation will not be payable in the foreseeable future.

2. TURNOVER

This represents the goods and services, excluding value added tax, invoiced to customers arising from the principal activity of the manufacture and sale of static caravans and chalets. The geographical analysis of turnover is as follows:

	<u>1990</u> £	<u>1989</u> £
United Kingdom	22,711,164	19,135,129
Overseas	<u>1,016,755</u>	<u>789,478</u>
	23,727,919	19,924,607
	=====	=====

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990

(CONTINUED)

3. OPERATING PROFIT

Operating profit has been arrived at after charging/(crediting):

	<u>1990</u> £	<u>1989</u> £
Movement in stocks of finished goods and work in progress	(936,955)	(150,441)
Raw materials and consumables	17,412,207	13,949,981
Auditors' remuneration	8,250	7,500
Operating lease charges - plant	83,500	55,967
Other external charges	1,186,336	918,825
Staff costs (note 5)	4,310,416	3,620,974
Depreciation on owned assets	42,380	23,143
Depreciation on assets held under finance leases	<u>43,810</u>	<u>37,870</u>
	22,149,944	18,454,819
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1990</u> £	<u>1989</u> £
Capital charge by ultimate holding company	504,600	168,900
Interest on finance leases	19,058	12,653
Other interest	<u>-</u>	<u>40,728</u>
	523,658	222,281
	=====	=====

5. DIRECTORS AND EMPLOYEES

	<u>1990</u> £	<u>1989</u> £
Staff costs:		
Wages and salaries	3,882,907	3,270,391
Social security costs	335,399	287,714
Other pension costs	67,142	48,405
Employees' profit sharing scheme	<u>24,968</u>	<u>14,464</u>
	4,310,416	3,620,974
	=====	=====

The emoluments of directors of the company were:

	<u>1990</u> £	<u>1989</u> £
Remuneration for management	298,965	280,360
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

5. DIRECTORS AND EMPLOYEES (continued)

Emoluments of directors (excluding pension contributions) were:

	<u>1990</u> £	<u>1989</u> £
Chairman	37,146 =====	36,230 =====
Highest paid director	75,640 =====	72,169 =====
Other directors:	<u>Number</u>	<u>Number</u>
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£60,001 - £65,000	-	2
£65,001 - £70,000	1	-
£70,001 - £75,000	1	-

The average number of employees of the company during the year was:

	<u>1990</u>	<u>1989</u>
Management and administration	40	38
Production and sales staff	<u>232</u>	<u>219</u>
	272 ===	257 ===

6. TAXATION

	<u>1990</u> £	<u>1989</u> £
The taxation charge based on profit on ordinary activities is:		
U.K. corporation tax payable @ 35% (1989 - 35%)	385,000	447,000
Deferred taxation	<u>7,422</u>	<u>1,030</u>
	392,422	448,030
Adjustment in respect of prior years:		
Corporation tax	<u>(10,955)</u>	<u>(2,106)</u>
	381,467 =====	445,924 =====

The taxation charge for the year has been affected by expenditure disallowed for taxation purposes amounting to approximately £21,000 (1989 £10,000) at current rates.

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

7. DIVIDENDS	<u>1990</u> £		<u>1989</u> £
Final dividend proposed	672,000 =====		800,000 =====
8. TANGIBLE FIXED ASSETS	<u>Plant and machinery</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST			
At 4th September, 1989	464,565	22,122	486,687
Additions	261,220	-	261,220
Disposals	<u>(3,445)</u>	<u>(11,240)</u>	<u>(14,685)</u>
At 2nd September, 1990	722,340 =====	10,882 =====	733,222 =====
DEPRECIATION			
At 4th September, 1989	268,416	10,165	278,581
Charged to profit and loss account	81,973	4,217	86,190
Eliminated in respect of disposals	<u>(3,245)</u>	<u>(4,990)</u>	<u>(8,235)</u>
At 2nd September, 1990	347,144 =====	9,392 =====	356,536 =====
NET BOOK VALUES			
At 2nd September, 1990	375,196 =====	1,490 =====	376,686 =====
At 3rd September, 1989	196,149 =====	11,957 =====	208,106 =====

Assets costing £177,000 (1989 £165,000) have been fully depreciated and are still in use.

The following tangible fixed assets held under finance leases are included above:

	<u>1990</u>		<u>1989</u>	
	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>
	£	£	£	£
Cost	303,279	6,592	164,247	17,822
Depreciation	<u>125,658</u>	<u>6,252</u>	<u>85,205</u>	<u>7,885</u>
Net book values	177,621	330	79,042	9,937
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

9. STOCKS	<u>1990</u> £	<u>1989</u> £
Raw materials	911,074	845,878
Work in progress	200,454	240,118
Finished goods	<u>1,657,789</u>	<u>681,170</u>
	2,769,317	1,767,166
	=====	=====
10. DEBTORS	<u>1990</u> £	<u>1989</u> £
Amounts falling due within one year:		
Trade debtors	3,765,673	3,246,984
Taxation recoverable	4,832	175,585
Other debtors	6,572	-
Prepayments and accrued income	<u>173,320</u>	<u>217,360</u>
	3,950,397	3,639,929
	=====	=====
11. CREDITORS	<u>1990</u> £	<u>1989</u> £
Amounts falling due within one year:		
Trade creditors	3,551,969	3,047,217
Amount owed to ultimate holding company	3,287,588	3,218,148
Amounts owed to fellow subsidiary companies	10,942	12,430
Corporation tax payable	385,000	480,894
Other taxation payable	82,160	35,721
Social security	61,253	50,931
Accruals and deferred income	285,646	257,315
Dividend payable	672,000	800,000
Obligations under finance leases (note 16)	<u>41,737</u>	<u>59,353</u>
	8,378,295	7,962,009
	=====	=====
Amounts falling due after more than one year:		
Obligations under finance leases (note 16)	<u>130,879</u>	<u>41,568</u>
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

12. PROVISIONS FOR LIABILITIES AND CHARGES	<u>1990</u> £	<u>1989</u> £
The provision included in the balance sheet relates to deferred taxation and comprises:		
Accelerated tax allowances	15,768	12,768
Other timing differences	<u>1,286</u>	<u>(3,136)</u>
	17,054	9,632
	=====	=====
13. CALLED UP SHARE CAPITAL	<u>1990</u> £	<u>1989</u> £
Authorised: 10,000 ordinary shares of £1 each	10,000	10,000
	=====	=====
Issued and fully paid: 300 ordinary shares of £1 each	300	300
	===	===
14. PROFIT AND LOSS ACCOUNT	£	
Balance at 4th September, 1989	11,411	
Profit for the year	<u>850</u>	
Balance at 2nd September, 1990	12,261	
	=====	
15. CAPITAL COMMITMENTS	<u>1990</u> £	<u>1989</u> £
Contracted for but not provided in the financial statements	13,100	13,500
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

16. LEASING OBLIGATIONS

(a) Future commitments due under finance leases are:

	<u>1990</u> £	<u>1989</u> £
Within one year	60,481	65,800
Between two and five years	131,016	44,975
In five years or more	<u>39,668</u>	<u>-</u>
	231,165	110,775
Less: future finance charges	<u>58,549</u>	<u>9,854</u>
	172,616	100,921
	=====	=====
Shown in creditors (note 11) as:	£	£
Amounts falling due within one year	41,737	59,353
Amounts falling due after more than one year	<u>130,879</u>	<u>41,568</u>
	172,616	100,921
	=====	=====

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

	<u>1990</u> £	<u>1989</u> £
Plant leases which expire:		
Within one year	24,104	25,501
Between two and five years	<u>35,746</u>	<u>46,372</u>
	59,850	71,873
	=====	=====

17. PENSION COMMITMENTS

The company is part of the Cosalt plc group which operates several pension schemes, the major one being of the defined benefit type, and the assets of these schemes are held in separate trustee administered funds.

Contributions by the company which amounted to £67,142 (1989 £48,405) are based on pension costs across the group as a whole and are assessed in accordance with advice of a qualified actuary. Particulars of actuarial valuations of the group schemes are disclosed in the financial statements of Cosalt plc. The latest actuarial assessment of the major scheme was made at 1st January, 1989.

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 2ND SEPTEMBER, 1990(CONTINUED)

18. CONTINGENT LIABILITIES

There is a charge on the company's assets to secure liabilities to bankers of certain group companies amounting to £1,567,348 (1989 £2,600,852).

19. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cosalt plc, which is incorporated in England.