

REGISTERED

**COSALT HOLIDAY HOMES LIMITED**

**FINANCIAL STATEMENTS**

**for the sixty-one weeks ended  
28 October 2001**



**COSALT HOLIDAY HOMES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 OCTOBER 2001**

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The following pages do not form part of the statutory accounts:

Detailed trading and profit and loss account	Appendix 1
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## COSALT HOLIDAY HOMES LIMITED

### Directors

F W Wood (Chairman)  
P T Nevitt (Managing)  
N R Carrick  
A Smith  
R C F Lloyd

### DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the sixty-one weeks ended 28 October 2001 ("the period").

#### Business review

The principal activity of the company continued to be the design and manufacture of caravan holiday homes, custom homes and chalets, and the design and manufacture of "Kingsform" furniture doors and panels.

The trading results for the period are shown in the profit and loss account on page 5.

The directors recommend the payment of a final dividend of £1,033,000 (2000: £1,904,000), with £896 (2000: £531) 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.

#### Directors' shareholdings

None of the directors has any beneficial interest in the share capital of the company. The interests of Messrs N R Carrick, P T Nevitt and F W Wood in the share capital of Cosalt plc, the ultimate parent company, are disclosed by that company. The interests of the other directors in the ordinary share capital of Cosalt plc are as follows:

	At 28 October 2001	At 27 August 2000
R C F Lloyd	4,500	5,000
A Smith	2,108	2,108

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

**COSALT HOLIDAY HOMES LIMITED****DIRECTORS' REPORT****(continued)****Fixed assets**

The movements in tangible fixed assets are set out in note 8 to the financial statements. In note 15 to the financial statements, additional information is provided on assets used by the company which are subject to lease agreements.

**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 for many years employed disabled persons whenever 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.

**Payment policy**

It is the policy of the company to establish terms of payment with suppliers when agreeing the terms of business.

The aim is to despatch cheques to settle undisputed accounts on the due date, or where other means of payment are used, to deliver funds as if payment had been made by cheque.

The number of days' purchases outstanding at the end of the period was 94 days.

**Political and charitable donations**

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

**Auditors**

The auditors, KPMG Audit Plc, have expressed their willingness to continue in office. In accordance with Section 384 of the Companies Act 1985, a resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

  
A J Robson  
Secretary

Fish Dock Road  
GRIMSBY

28 January 2002

**COSALT HOLIDAY HOMES LIMITED**  
**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 at the end of the period, 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 assume 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 a 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.

**REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT PLC TO THE MEMBERS OF  
COSALT HOLIDAY HOMES LIMITED**

We have audited the financial statements on pages 5 to 15.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or any information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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 28 October 2001, and of its profit for the sixty one weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Leeds

28 January 2002

**COSALT HOLIDAY HOMES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE SIXTY-ONE WEEKS ENDED 28 OCTOBER 2001**

		61 weeks ended 28 October 2001	52 weeks ended 27 August 2000
	Note	£	£
<b>Turnover</b>	2	<u>54,834,198</u>	<u>49,696,080</u>
<b>Operating profit</b>	3	2,632,819	3,605,169
Interest payable and similar charges (net)	4	<u>1,127,065</u>	<u>859,814</u>
<b>Profit on ordinary activities before taxation</b>		1,505,754	2,745,355
Taxation	6	<u>471,858</u>	<u>840,824</u>
<b>Profit for the financial year</b>		1,033,896	1,904,531
Dividends	7	<u>1,033,000</u>	<u>1,904,000</u>
<b>Transferred to reserves</b>	14	<u>896</u>	<u>531</u>

All operations are classed as continuing.

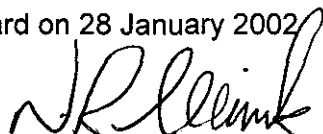
The company has no recognised gains and losses other than the losses for the periods disclosed above. Accordingly, a statement of recognised gains and losses has not been included in these financial statements.

The notes on pages 7 to 15 form part of these financial statements.

**COSALT HOLIDAY HOMES LIMITED**  
**BALANCE SHEET - 28 OCTOBER 2001**

		28 October 2001		27 August 2000	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	8		1,217,303		1,204,677
<b>Current assets</b>					
Stocks	9	5,827,067		4,818,388	
Debtors	10	12,932,868		9,089,550	
Bank and cash balances		<u>2,845,546</u>		<u>3,036,715</u>	
		21,605,481		16,944,653	
<b>Creditors</b>					
Amounts falling due within one year	11	<u>22,146,206</u>		<u>17,512,396</u>	
<b>Net current liabilities</b>			(540,725)		(567,743)
<b>Total assets less current liabilities</b>			676,578		636,934
<b>Creditors</b>					
Amounts falling due after more than one year	11		<u>389,745</u>		<u>377,786</u>
			286,833		259,148
<b>Provisions for liabilities and charges</b>	12	223,373		186,805	
<b>Deferred income</b>					
Grants not yet credited to profit		<u>34,745</u>	<u>258,118</u>	<u>44,524</u>	<u>231,329</u>
<b>Net assets</b>			<u>28,715</u>		<u>27,819</u>
<b>Capital and reserves</b>					
Called up share capital	13		300		300
Profit and loss account	14		<u>28,415</u>		<u>27,519</u>
<b>Equity shareholders' funds</b>	14		<u>28,715</u>		<u>27,819</u>

Approved by the Board on 28 January 2002



N R Carrick - Director

The notes on pages 7 to 15 form part of these financial statements.



## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

**1 Accounting policies****Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a wholly owned subsidiary undertaking of a parent undertaking which publishes a consolidated cash flow statement.

**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	5-33.3%
Motor vehicles	20-25%

**Government grants**

Capital grants received for plant are taken to deferred income and released to profit and loss account in instalments relating to the relevant asset lives. Other grants are recognised in the profit and loss account in the same period as the related expenditure.

**Leased assets**

Assets 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.

**Stocks**

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

**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.

**Pension costs**

Contributions to the group's pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives.

For defined contribution schemes all contributions are charged directly to the profit and loss account in the periods in which they are payable.

**COSALT HOLIDAY HOMES LIMITED**

**NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001**

(continued)

**2 Turnover**

Turnover represents the goods and services, excluding Value Added Tax, invoiced to customers arising from the principal activities as disclosed in the Directors' Report. The geographical analysis of turnover is as follows:

	2001 £	2000 £
United Kingdom	53,546,274	48,454,065
Overseas	<u>1,287,924</u>	<u>1,242,015</u>
	<u>54,834,198</u>	<u>49,696,080</u>

All turnover originated in the United Kingdom.

**3 Operating profit**

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

	2001 £	2000 £
Movement in stocks of finished goods and work in progress	(1,075,136)	(1,187,278)
Government grants	(9,779)	(8,732)
Raw materials and consumables	37,099,118	33,903,288
Auditors' remuneration - audit fees	13,368	14,303
Operating lease charges - plant	198,358	178,766
- other	317,778	138,314
Other external charges	4,100,859	3,578,943
Staff costs (note 5)	10,521,445	8,711,321
Depreciation on owned assets	165,127	140,879
Depreciation on assets held under finance leases	199,991	111,718
Other operating income	(77,700)	(66,711)
Other operating charges	<u>747,950</u>	<u>576,100</u>
	<u>52,201,379</u>	<u>46,090,911</u>

**COSALT HOLIDAY HOMES LIMITED**

**NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001**

(continued)

<b>4 Interest payable and similar charges (net)</b>	<b>2001 £</b>	<b>2000 £</b>
Capital charge by ultimate parent company	670,200	509,350
Interest on finance leases and hire purchase agreements	42,971	30,474
Other interest payable	<u>414,107</u>	<u>326,066</u>
	1,127,278	865,890
Interest received	<u>213</u>	<u>6,076</u>
	<u>1,127,065</u>	<u>859,814</u>

**5 Directors and employees**

Staff costs:		
Wages and salaries	9,525,679	7,904,294
Social security costs	762,290	646,819
Other pension costs	233,476	139,866
Employees' profit sharing scheme	<u>-</u>	<u>20,342</u>
	<u>10,521,445</u>	<u>8,711,321</u>
Emoluments of the directors of the company were:		
Remuneration for management:	<u>275,429</u>	<u>310,700</u>

Total remuneration of the highest paid director was £162,439 (2000: £183,193) including £13,217 (2000: £6,240) of pension contributions.

	<b>2001 £</b>	<b>2000 £</b>
The accrued pension entitlement of the highest paid director is:	19,218	16,005

	<b>Number</b>	<b>Number</b>
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying services was:	4	4
The number of directors exercising share options in respect of Cosalt plc shares during the period was:	-	1
The number of directors granted share options in respect of Cosalt plc shares during the period was:	3	3

**COSALT HOLIDAY HOMES LIMITED**

**NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001**

(continued)

<b>5. Directors and employees (continued)</b>		<b>2001</b>		<b>2000</b>
The average number of employees of the company during the period was:				
Management and administration		56		56
Production and sales staff		<u>345</u>		<u>336</u>
		<u>401</u>		<u>392</u>
<b>6 Taxation</b>		<b>2001</b>		<b>2000</b>
	£	£	£	£
The taxation charge based on the profit on ordinary activities is:				
U.K. corporation tax payable at 30% (2000: 30%)		477,000		826,500
Deferred taxation		<u>6,881</u>		<u>19,625</u>
		483,881		846,125
Adjustment in respect of prior years:				
Corporation tax	(4,710)		(1,915)	
Deferred taxation	<u>(7,313)</u>	<u>(12,023)</u>	<u>(3,386)</u>	<u>(5,301)</u>
		<u>471,858</u>		<u>840,824</u>
<b>7 Dividends</b>		<b>2001</b>		<b>2000</b>
		£		£
Final dividend proposed of £3,443.33 per share (2000: £6,346.67)		<u>1,033,000</u>		<u>1,904,000</u>

**COSALT HOLIDAY HOMES LIMITED**

**NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001**

(continued)

**8 Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 27 August 2000	2,492,265	37,300	2,529,565
Additions	398,869	9,625	408,494
Disposals	<u>(246,009)</u>	<u>(3,500)</u>	<u>(249,509)</u>
At 28 October 2001	<u>2,645,125</u>	<u>43,425</u>	<u>2,688,550</u>
<b>Depreciation</b>			
At 27 August 2000	1,301,582	23,306	1,324,888
Charged to profit and loss account	359,208	5,910	365,118
Eliminated in respect of disposals	<u>(216,759)</u>	<u>(2,000)</u>	<u>(218,759)</u>
At 28 October 2001	<u>1,444,031</u>	<u>27,216</u>	<u>1,471,247</u>
<b>Net book values</b>			
At 28 October 2001	<u>1,201,094</u>	<u>16,209</u>	<u>1,217,303</u>
At 27 August 2000	<u>1,190,683</u>	<u>13,994</u>	<u>1,204,677</u>

Assets costing £684,947 (2000 - £621,744) have been fully depreciated and are still in use.

The following tangible fixed assets held under finance lease and hire purchase agreements are included in plant.

	<b>2001 £</b>	<b>2000 £</b>
Cost	1,209,874	1,245,888
Depreciation	<u>580,727</u>	<u>597,495</u>
Net book values	<u>629,147</u>	<u>648,393</u>

**9 Stocks**

Raw materials	1,174,716	1,241,173
Work in progress	116,260	133,400
Finished goods	<u>4,536,091</u>	<u>3,443,815</u>
	<u>5,827,067</u>	<u>4,818,388</u>

## COSALT HOLIDAY HOMES LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

10 Debtors	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	11,804,989	8,503,821
Taxation recoverable	545,732	204,061
Other debtors	45,479	26,829
Prepayments and accrued income	<u>536,668</u>	<u>354,839</u>
	<u>12,932,868</u>	<u>9,089,550</u>

11 Creditors	2001 £	2000 £
Amounts falling due within one year:		
Trade creditors	9,228,900	6,110,761
Amount owed to ultimate parent company	5,432,077	5,432,077
Amounts owed to fellow subsidiary undertakings	38,270	35,048
Corporation tax	515,455	828,384
Other taxation	63,521	59,151
Social security	81,110	62,607
Other creditors	4,842,994	2,231,768
Accruals and deferred income	748,589	734,927
Dividend payable	1,033,000	1,904,000
Obligations under finance leases (note 15)	<u>162,290</u>	<u>113,673</u>
	<u>22,146,206</u>	<u>17,512,396</u>

Amounts falling due after more than one year:

Obligations under finance leases (note 15)	<u>389,745</u>	<u>377,786</u>
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Other creditors £4,842,994 (2000:£2,231,768) comprise advances under a debtor financing agreement.

## 12 Provisions for liabilities and charges

	Warranty provision	Deferred taxation	Total
At 27 August 2000	158,000	28,805	186,805
Deferred taxation	-	(432)	(432)
Utilised	(495,000)	-	(495,000)
Charge to profit and loss account	<u>532,000</u>	<u>-</u>	<u>532,000</u>
At 28 October 2001	<u>195,000</u>	<u>28,373</u>	<u>223,373</u>

## COSALT HOLIDAY HOMES LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

<b>12 Provisions for liabilities and charges (continued)</b>	<b>2001 £</b>	<b>2000 £</b>
Analysis of deferred taxation:		
Accelerated tax allowances	38,797	27,214
Other timing differences	<u>(10,424)</u>	<u>1,591</u>
	<u>28,373</u>	<u>28,805</u>
<b>13 Called up share capital</b>	<b>2001 £</b>	<b>2000 £</b>
Authorised: 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid: 300 ordinary shares of £1 each	<u>300</u>	<u>300</u>
<b>14 Reserves</b>	<b>2001 £</b>	<b>2000 £</b>
(a) Reconciliation of movements in equity shareholders' funds		
Profit for the financial period	1,033,896	1,904,531
Dividends	<u>(1,033,000)</u>	<u>(1,904,000)</u>
Net addition to equity shareholders' funds	896	531
Opening equity shareholders' funds	<u>27,819</u>	<u>27,288</u>
Closing equity shareholders' funds	<u>28,715</u>	<u>27,819</u>
(b) Profit and loss account		
Balance at 27 August 2000	27,519	
Profit for the period	<u>896</u>	
Balance at 28 October 2001	<u>28,415</u>	

## COSALT HOLIDAY HOMES LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

<b>15 Leasing obligations</b>	<b>2001 £</b>	<b>2000 £</b>
(a) Future commitments due under finance leases and hire purchase agreements are:		
Within one year	167,876	122,152
Between two and five years	<u>394,435</u>	<u>389,474</u>
	562,311	511,626
Less: future finance charges	<u>10,276</u>	<u>20,167</u>
	<u>552,035</u>	<u>491,459</u>
Shown in creditors (note 11) as:		
Amounts falling due within one year	162,290	113,673
Amounts falling due after more than one year	<u>389,745</u>	<u>377,786</u>
	<u>552,035</u>	<u>491,459</u>
(b) Annual commitments due under non-cancellable operating leases are:		
Land and buildings leases which expire:		
Between two and five years	42,500	40,500
In five years or more	<u>216,775</u>	<u>219,775</u>
	<u>259,275</u>	<u>260,275</u>
Plant leases which expire:		
Within one year	57,712	141,768
Between two and five years	<u>81,440</u>	<u>-</u>
	<u>139,152</u>	<u>141,768</u>

The majority of leases of land and buildings are subject to rent reviews



# **COSALT HOLIDAY HOMES LIMITED**

## **NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001**

(continued)

<b>16 Capital commitments</b>	<b>2001 £</b>	<b>2000 £</b>
Contracted for but not provided for in the financial statements	<u>13,200</u>	<u>77,600</u>

### **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. This scheme was closed to new entrants on 25 July 2000 and replaced by a defined contribution scheme.

Contributions by the company which amounted to £233,476 (2000: £139,866) are based on pension costs across the group as a whole and are assessed in accordance with the 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 31 December 1999.

A new pension cost accounting standard, Financial Reporting Standard 17 (FRS17) was issued in November 2000 and although full compliance is not mandatory for the company until the year ending October 2003, prior to this, transitional disclosure rules apply.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

The FRS 17 transitional disclosures for the scheme are shown in the consolidated accounts of Cosalt plc, the ultimate parent company.

### **18 Related party transactions**

The company has taken advantage of the exemption from disclosing related party transactions with other group companies as permitted by Financial Reporting Standard 8 as the consolidated financial statements in which the company is included are publicly available.

### **19 Ultimate parent company and parent undertaking of larger group.**

The company is a subsidiary undertaking of Cosalt plc which is the ultimate parent company, incorporated in England. The consolidated accounts of this company are available to the public and may be obtained from Fish Dock Road, Grimsby, DN31 3NW.