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COSALT HOLIDAY HOMES LIMITED

FINANCIAL STATEMENTS

**for the fifty-two weeks ended
29 October 2006**

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COSALT HOLIDAY HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2006

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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
M Short
P A Jonsson
I J Tanser

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the fifty-two weeks ended 29 October 2006 ("the year").

1. Review of the Business

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

The operating performance during the year has been generally satisfactory, particularly in view of the adoption of new production methods during the year.

Turnover increased from £45,668,988 in the fifty-two weeks ended 30 October 2005 to £46,636,170 in the fifty-two weeks ended 29 October 2006.

Gross profit was £7,633,802 (16.4%) in 2006 against £5,732,679 (12.6%) in 2005. Net operating expenses were £8,748,781 compared with £9,768,092 in the prior year.

The loss for the financial year amounted to £758,339 (2005: £2,848,332).

Balance sheet

Due to the loss for the year, the balance sheet shows an increase in net liabilities to £3,576,661.

Principal risks

The most significant risks to the company's profitability are:

- Increased costs of raw materials and energy
- Increased statutory regulation, eg health and safety, environment
- Reduced demand from the company's main markets

The board has strategies to manage these risks and remains confident of the continued success of the company.

Key Performance Indicators (KPIs)

Management monitor the performance of the operations compared to budget and forecast.

KPIs monitored on a daily basis are:

- Production volume
- Sales volume and value
- Quality
- Order intake

KPIs monitored monthly/weekly are the above plus:

- Profit and cash generation
- Overtime and absenteeism rates
- Health and safety rate (accidents per 100 employees)

COSALT HOLIDAY HOMES LIMITED
DIRECTORS' REPORT
continued

Future prospects

The directors are confident about the long-term prospects for the company, which is well established in the holiday home and custom home markets.

Careful investment continues to be made where necessary to support or improve the company's operating efficiency.

The overall qualities of the company's products and the services it provides, together with the strength of relationships with customers, are anticipated to produce another satisfactory improvement in performance in 2007. The forward order book, particularly for Custom Homes, is good, and the results to the date of signing this report are in line with expectations.

2. Dividends

The directors do not propose a dividend in respect of the current period (2005: £nil).

3. Directors

The membership of the Board is shown above. All served on the Board for the whole of the financial year with the exception of Messrs Short, Jonsson and Tanser, who were appointed on 20 July 2006, 29 August 2006 and 16 November 2006 respectively. Messrs Lloyd and Smith resigned as directors on 31 December 2005 and 31 July 2006 respectively.

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, F W Wood and P A Jonsson 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 29 October 2006	At 30 October 2005
M Short	67	-

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

4. Employees

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

It is the policy of the company to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career development.

The company considers it important that employees are well informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

5. Tangible Fixed Assets

Movements in tangible fixed assets are shown 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.

COSALT HOLIDAY HOMES LIMITED
DIRECTORS' REPORT
continued

6. Payments to Suppliers

For all trade creditors it is the company's policy to agree the terms of payment at the start of business with that supplier. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The number of days' purchases outstanding at the end of the year was 79 days (2005: 39 days).

7. Political and Charitable Donations

During the year the company made no political or charitable donations (2005: £nil).

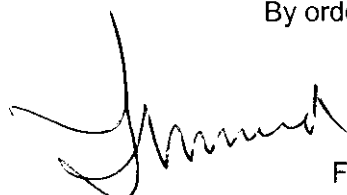
8. Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Auditors

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

By order of the Board



F W Wood
Director
Fish Dock Road
GRIMSBY

4 April 2007

COSALT HOLIDAY HOMES LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

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

We have audited the financial statements of Cosalt Holiday Homes Limited for the fifty-two week period ended 29 October 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 October 2006 and of its loss for the fifty-two weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

4 April 2007

COSALT HOLIDAY HOMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FIFTY-TWO WEEKS ENDED 29 OCTOBER 2006

		52 weeks ended 29 October 2006	52 weeks ended 30 October 2005
	Note	£	£
Turnover	2	<u>46,636,170</u>	<u>45,668,988</u>
Operating loss (including exceptional costs of £82,465)	3	(369,098)	(2,783,157)
Interest payable and similar charges (net)	4	<u>745,881</u>	<u>1,252,256</u>
Loss on ordinary activities before taxation		(1,114,979)	(4,035,413)
Taxation on loss on ordinary activities	6	<u>(356,640)</u>	<u>(1,187,081)</u>
Loss for the financial year	14	<u>(758,339)</u>	<u>(2,848,332)</u>

All operations are classed as continuing.

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

The notes on pages 8 to 16 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITED
BALANCE SHEET - 29 OCTOBER 2006

	Note	29 October 2006		30 October 2005	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8		1,523,934		1,629,929
Current assets					
Stocks	9	6,568,235		6,998,248	
Debtors	10	11,345,659		9,125,956	
Bank and cash balances		<u>3,168,259</u>		<u>8,120</u>	
		21,082,153		16,132,324	
Creditors					
Amounts falling due within one year	11	<u>25,551,487</u>		<u>19,704,810</u>	
Net current liabilities			<u>(4,469,334)</u>		<u>(3,572,486)</u>
Total assets less current liabilities			(2,945,400)		(1,942,557)
Creditors					
Amounts falling due after more than one year	11		<u>276,297</u>		<u>246,282</u>
			(3,221,697)		(2,188,839)
Provisions for liabilities and charges	12	323,587		583,391	
Deferred income					
Grants not yet credited to profit		<u>31,377</u>	<u>354,964</u>	<u>46,092</u>	<u>629,483</u>
Net liabilities			<u>(3,576,661)</u>		<u>(2,818,322)</u>
Capital and reserves					
Called up share capital	13		300		300
Profit and loss account	14		<u>(3,576,961)</u>		<u>(2,818,622)</u>
Equity shareholders' deficit	14		<u>(3,576,661)</u>		<u>(2,818,322)</u>

Approved by the Board on 4 April 2007

N R Carrick - Director

The notes on pages 8 to 16 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

FRS 21 'Events after the balance sheet date';

The presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and

FRS 28 'Corresponding amounts'.

The recognition and measurement requirements of FRS 17 'Retirement benefits' have also been adopted; previously only the transitional disclosures of that standard have been followed. There is no impact on the financial statements.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption.

FRS 21 superseded SSAP17, under the new standard final dividends receivable and payable are recognised only in the period in which they are declared in the annual general meeting and therefore become a liability, whereas under SSAP17 dividends were accrued for when proposed. This has resulted in a decrease of £2,183,000 in the retained profit for the year ended 30 October 2005, being the recognition of a £2,183,000 dividend previously recognised in the year ended 31 October 2004, paid after that date.

FRS 28 has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

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 to 33.3%
Motor vehicles	20 to 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 year 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 the profit and loss account. All other payments under lease agreements are charged in full to the 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

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006 (continued)

1 Accounting policies (continued)

Pension costs

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 Retirement Benefits, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

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

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 by destination is as follows:

	2006 £	2005 £
United Kingdom	46,310,463	44,482,519
Overseas	<u>325,707</u>	<u>1,186,469</u>
	<u>46,636,170</u>	<u>45,668,988</u>

All turnover originated in the United Kingdom.

3 Operating loss

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

	2006 £	2005 £
Movement in stocks of finished goods and work in progress	691,749	4,342,317
Government grants	(14,715)	(8,580)
Raw materials and consumables	29,728,972	27,454,420
Auditors' remuneration - audit fees	15,000	8,000
Operating lease charges - plant	176,624	185,441
- other	406,033	373,468
Other external charges	4,334,516	3,192,909
Staff costs (note 5)	10,601,470	10,732,745
Depreciation on owned assets	274,208	231,410
Depreciation on assets held under finance leases	164,794	167,682
Other operating income	(66,975)	(66,993)
Other operating charges	650,050	1,045,500
Rent receivable	<u>(38,923)</u>	<u>(41,959)</u>
Sub total	46,922,803	47,616,360
Exceptional costs	-	329,464
Restructuring and re-organisation costs	-	220,000
Redundancy costs (note 5)	<u>82,465</u>	<u>286,321</u>
	<u>47,005,268</u>	<u>48,452,145</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

4 Interest payable and similar charges (net)	2006 £	2005 £
Capital charge by ultimate parent company	583,050	978,400
Interest on finance leases and hire purchase agreements	14,246	26,287
Other interest payable	<u>148,585</u>	<u>247,569</u>
	<u>745,881</u>	<u>1,252,256</u>
Interest received	<u>-</u>	<u>-</u>
	<u>745,881</u>	<u>1,252,256</u>
 5 Directors and employees	 2006 £	 2005 £
Staff costs:		
Wages and salaries	9,441,478	9,903,186
Social security costs	800,653	767,753
Other pension costs	<u>441,804</u>	<u>348,127</u>
	<u>10,683,935</u>	<u>11,019,066</u>
Emoluments of the directors of the company were:		
Remuneration for management:	<u>326,989</u>	<u>178,270</u>
	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying services was:	4	4
The number of directors granted share options in respect of Cosalt plc shares during the year was:	3	3
The average number of employees of the company during the year was:		
Management and administration	37	56
Production and sales staff	<u>375</u>	<u>370</u>
	<u>412</u>	<u>426</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

6 Taxation	2006 £	2005 £
The taxation credit based on the loss on ordinary activities is:		
UK corporation tax payable at 30% (2005: 30%)	(295,000)	(1,169,000)
Deferred taxation	<u>(19,591)</u>	<u>(6,978)</u>
	(314,591)	(1,175,978)
Adjustment in respect of prior years:		
Corporation tax	20,164	(11,991)
Deferred taxation	<u>(62,213)</u>	<u>888</u>
	<u>(356,640)</u>	<u>(1,187,081)</u>
Factors affecting the current tax credit:		
The tax assessed on the loss on ordinary activities for the year is higher (2005: higher) than the standard rate of corporation tax in the UK of 30% (2005: 30%)		
The differences are reconciled below:		
	2006 £	2005 £
Loss on ordinary activities before tax	<u>(1,114,979)</u>	<u>(4,035,413)</u>
Tax at current UK Corporation tax rate of 30% (2005: 30%)	(334,494)	(1,210,624)
Effects of:		
Expenses not deductible for tax purposes	19,903	34,646
Timing differences between capital allowances and depreciation	26,313	11,168
Other short-term timing differences	(6,722)	(4,190)
Adjustments to tax charge in respect of previous periods	<u>20,164</u>	<u>(11,991)</u>
Current tax credit for year	<u>(274,836)</u>	<u>(1,180,991)</u>
7 Dividends	2006 £	2005 As restated £
Final dividend paid in respect of the prior year but not recognised as liabilities in that year	<u>-</u>	<u>2,183,000</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 30 October 2005	4,186,784	95,016	4,281,800
Additions	<u>333,007</u>	<u>-</u>	<u>333,007</u>
At 29 October 2006	<u>4,519,791</u>	<u>95,016</u>	<u>4,614,807</u>
Depreciation			
At 30 October 2005	2,607,735	44,136	2,651,871
Charged to profit and loss account	<u>422,585</u>	<u>16,417</u>	<u>439,002</u>
At 29 October 2006	<u>3,030,320</u>	<u>60,553</u>	<u>3,090,873</u>
Net book values			
At 29 October 2006	<u>1,489,471</u>	<u>34,463</u>	<u>1,523,934</u>
At 30 October 2005	<u>1,579,049</u>	<u>50,880</u>	<u>1,629,929</u>

Assets costing £1,528,159 (2005: £1,703,499) 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.

	2006 £	2005 £
Cost	1,808,271	1,651,951
Depreciation	<u>1,276,148</u>	<u>1,111,354</u>
Net book values	<u>532,123</u>	<u>540,597</u>

9 Stocks

Raw materials	1,331,502	1,069,766
Work in progress	145,747	173,362
Finished goods	<u>5,090,986</u>	<u>5,755,120</u>
	<u>6,568,235</u>	<u>6,998,248</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

10 Debtors	2006	2005
	£	£
Amounts falling due within one year:		
Trade debtors	10,284,429	7,571,322
Corporation tax	321,657	1,177,500
Taxation recoverable	445,135	90,450
Other debtors	32,328	54,963
Prepayments and accrued income	<u>262,110</u>	<u>231,721</u>
	<u>11,345,659</u>	<u>9,125,956</u>

11 Creditors	2006	2005
	£	£
Amounts falling due within one year:		
Bank overdrafts	-	1,995,945
Trade creditors	8,788,486	3,989,636
Amount owed to ultimate parent company	10,432,076	10,432,076
Amounts owed to fellow subsidiary undertakings	20,925	10,266
Other taxation	118,231	85,759
Social security	136,335	119,042
Other creditors	5,344,583	2,441,995
Accruals and deferred income	584,546	510,919
Obligations under finance leases (note 15)	<u>126,305</u>	<u>119,172</u>
	<u>25,551,487</u>	<u>19,704,810</u>

Amounts falling due after more than one year:

Obligations under finance leases (note 15)	<u>276,297</u>	<u>246,282</u>
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Other creditors £5,344,583 (2005: £2,441,995) comprise advances under a debtor financing agreement.

12 Provisions for liabilities and charges

	Reorganisation Provision	Capital Bank	Warranty provision	Deferred taxation	Total
At 30 October 2005	300,000	40,000	160,000	83,391	583,391
Utilised	(300,000)	(112,787)	(501,000)	(81,804)	(995,591)
Charged to profit and loss account	<u>-</u>	<u>139,787</u>	<u>596,000</u>	<u>-</u>	<u>735,787</u>
At 29 October 2006	<u>-</u>	<u>67,000</u>	<u>255,000</u>	<u>1,587</u>	<u>323,587</u>

The capital bank provision of £67,000 (2005: £40,000) is to provide for the potential interest liability of a trade factoring arrangement.

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

12 Provisions for liabilities and charges (continued)	2006 £	2005 £
Analysis of deferred taxation:		
Accelerated tax allowances	15,904	103,474
Other timing differences	<u>(14,317)</u>	<u>(20,083)</u>
	<u>1,587</u>	<u>83,391</u>
13 Called up share capital	2006 £	2005 £
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>
14 Reserves	2006 £	2005 As restated £
(a) Reconciliation of movements in equity shareholders' funds		
Opening equity shareholders' (deficit)/funds as previously stated	(2,818,322)	30,010
Prior year adjustment	<u>-</u>	<u>2,183,000</u>
Opening equity shareholders' (deficit)/funds as restated	(2,818,322)	2,213,010
Loss for the financial year	(758,339)	(2,848,332)
Dividends	<u>-</u>	<u>(2,183,000)</u>
Closing equity shareholders' deficit	<u>(3,576,661)</u>	<u>(2,818,322)</u>
(b) Profit and loss account		
Balance at 30 October 2005 as previously stated	(2,818,622)	
Prior year adjustment	<u>-</u>	
Balance at 30 October 2005 as restated	(2,818,622)	
Loss for the financial year	(758,339)	
Dividends	<u>-</u>	
Balance at 29 October 2006	<u>(3,576,961)</u>	

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

15 Leasing obligations	2006 £	2005 £
(a) Future commitments due under finance leases and hire purchase agreements are:		
Within one year	128,139	122,074
Between two and five years	277,087	239,632
Five years or more	<u>-</u>	<u>9,274</u>
	405,226	370,980
Less: future finance charges	<u>2,624</u>	<u>5,526</u>
	<u>402,602</u>	<u>365,454</u>
Shown in creditors (note 11) as:		
Amounts falling due within one year	126,305	119,172
Amounts falling due after more than one year	<u>276,297</u>	<u>246,282</u>
	<u>402,602</u>	<u>365,454</u>
(b) Annual commitments due under non-cancellable operating leases are:		
Land and buildings leases which expire:		
Within one year	6,000	11,800
Between two and five years	233,240	116,000
In five years or more	<u>146,775</u>	<u>146,775</u>
	<u>386,015</u>	<u>274,575</u>
Plant leases which expire:		
Within one year	96,847	44,190
Between two and five years	<u>66,476</u>	<u>125,785</u>
	<u>163,323</u>	<u>169,975</u>

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

16 Capital commitments	2006 £	2005 £
Contracted for but not provided for in the financial statements	<u>39,825</u>	<u>2,590</u>
Authorised but not contracted for	<u>67,220</u>	<u>177,922</u>

COSALT HOLIDAY HOMES LIMITED**NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006**
(continued)**17 Pension commitments**

The Company is a member of the Cosalt plc group pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17, the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme. Disclosures for the scheme are shown in the Cosalt plc group financial statements. The deficit, net of deferred taxation, under IAS 19 as at 29 October 2006 was £9,119,000.

The latest full actuarial valuation was carried out as at 31 December 2004 and was updated for FRS17 purposes as at 29 October 2006 by a qualified independent actuary. The contribution by the company for the year was £429,066 (2005: £348,127). Contribution to the stakeholder scheme amounted to £12,738 (2005: £12,209).

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 No 8 as the consolidated financial statements in which the company is included are publicly available.

19 Future financial support

The financial statements have been prepared under the going concern basis, the validity of which is dependent upon the continued financial support by the ultimate parent company.

The directors, having consulted with the directors of the ultimate parent company, believe that this financial support will continue for the foreseeable future.

Should the ultimate parent company be unable to continue its financial support, certain adjustments would be necessary to these financial statements.

20 Ultimate parent company

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.

COSALT HOLIDAY HOMES LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE FIFTY-TWO WEEKS ENDED 29 OCTOBER 2006

		52 weeks ended 29 October 2006 £	52 weeks ended 30 October 2005 £
Sales			
Exports		325,707	1,186,469
Home		<u>46,310,463</u>	<u>44,482,519</u>
		<u>46,636,170</u>	<u>45,668,988</u>
Opening stocks		6,998,248	11,508,351
Add: Purchases		<u>30,792,302</u>	<u>27,286,634</u>
		37,790,550	38,794,985
Less: Closing stocks		<u>6,568,235</u>	<u>6,998,248</u>
		31,222,315	31,796,737
Factory wages		<u>7,780,053</u>	<u>8,139,572</u>
		<u>39,002,368</u>	<u>39,936,309</u>
Gross profit		<u>7,633,802</u>	<u>5,732,679</u>
Expenses			
Staff	Salaries	2,462,078	2,531,367
	Pensions	<u>441,804</u>	<u>348,127</u>
		<u>2,903,882</u>	<u>2,879,494</u>
Occupancy	Rent	899,562	809,268
	Rates	169,262	222,994
	Light, heat and water	223,982	245,481
	Insurance	350,563	415,610
	Repairs	<u>277,503</u>	<u>289,823</u>
		<u>1,920,872</u>	<u>1,983,176</u>
Selling	Travelling and entertaining	82,631	97,608
	Transport	84,276	92,378
	Advertising and exhibitions	372,978	336,849
	Leasing	<u>176,624</u>	<u>185,441</u>
		<u>716,509</u>	<u>712,276</u>

COSALT HOLIDAY HOMES LIMITED
TRADING AND PROFIT & LOSS ACCOUNT
FOR THE FIFTY-TWO WEEKS ENDED 29 OCTOBER 2006

(continued)

		52 weeks ended 29 October 2006	52 weeks ended 30 October 2005
		£	£
Communication	Stationery	41,156	43,142
	Postage	19,050	18,952
	Telephone	<u>68,378</u>	<u>69,000</u>
		<u>128,584</u>	<u>131,094</u>
Financial	Capital Bank	139,787	105,027
	Warranty claims	247,112	59,745
	Professional charges	104,680	23,937
	Bank charges	8,633	11,700
	Grants amortised	(14,715)	(8,580)
	Audit and accountancy	15,000	8,000
	Bad debts	61,389	-
	Credit insurance	159,057	81,255
	Discount allowed	320,668	157,985
	Storage and delivery charges	148,585	322,114
	Discounting charges	(180,573)	247,569
	Discount received	14,246	(244,237)
	Finance lease charges	86,278	26,287
	Computer charges	<u>5,610</u>	<u>71,088</u>
		<u>1,115,757</u>	<u>861,890</u>
Other production	Depreciation	<u>439,002</u>	<u>399,092</u>
Capital and management charges		<u>1,166,125</u>	<u>1,956,907</u>
General expenses		<u>396,973</u>	<u>336,658</u>
Restructuring costs		<u>-</u>	<u>220,000</u>
Exceptional items		<u>-</u>	<u>329,464</u>
Total expenses		<u>8,787,704</u>	<u>9,810,051</u>
Rent receivable		38,923	41,959
Net loss before taxation		(1,114,979)	(4,035,413)
Taxation		<u>(356,640)</u>	<u>(1,187,081)</u>
Loss for the financial year		(758,339)	(2,848,332)
Dividend proposed		<u>-</u>	<u>-</u>
Transferred from reserves		<u>(758,339)</u>	<u>(2,848,332)</u>