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COSALT HOLIDAY HOMES LIMITED

FINANCIAL STATEMENTS

for the fifty-two weeks ended
28 October 2007

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COSALT HOLIDAY HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2007

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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

A Lee (Managing)
M Lejman
N R Carrick
M Short
I J Tanser

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the fifty-two weeks ended 28 October 2007 ("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 poor, with difficult conditions within the holiday homes market

Turnover increased from £46,636,170 in the fifty-two weeks ended 29 October 2006 to £49,748,607 in the fifty-two weeks ended 28 October 2007

Gross profit was £8,953,082 in 2007 against £7,633,802 (16.4%) in 2006. Net operating expenses were £9,899,146 compared with £8,748,781 in the prior year

The loss for the financial year amounted to £741,077 (2006: £758,339)

Balance sheet

Due to the loss for the year, the balance sheet shows an increase in net liabilities to £4,317,738

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 long term 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

Subsequent to the year-end, the ultimate parent company, Cosalt plc, has made the decision to sell the company, and consequently is implementing a clear restructuring plan to optimise its value on exit

2. Dividends

The directors do not propose a dividend in respect of the current period (2006 £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 A Lee who was appointed on 10 September 2007 and Mr Lejman who was appointed on 01 July 2008. Mr Nevitt and Mr Wood resigned as directors on 29 June 2007 and 31 December 2007 respectively. Mr P A Jonsson was appointed as a director on 29 August 2006 and resigned on 01 June 2008.

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 62 days (2006 79 days)

7 Political and Charitable Donations

During the year the company made no political or charitable donations (2006 £nil)

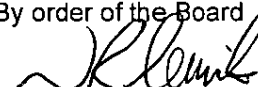
8. Disclosure of Information to Auditors

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 Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



N R Carrick

Director

Fish Dock Road
GRIMSBY

21 August 2008

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 28 October 2007 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 28 October 2007 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

21 August 2008

COSALT HOLIDAY HOMES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE FIFTY-TWO WEEKS ENDED 28 OCTOBER 2007

		52 weeks ended 28 October 2007	52 weeks ended 29 October 2006
	Note	£	£
Turnover	2	<u>49,748,607</u>	<u>46,636,170</u>
Operating profit/(loss) (including exceptional costs of £366,500)	3	80,581	(369,098)
Interest payable and similar charges (net)	4	<u>1,026,645</u>	<u>745,881</u>
Loss on ordinary activities before taxation		(946,064)	(1,114,979)
Taxation on loss on ordinary activities	6	<u>(204,987)</u>	<u>(356,640)</u>
Loss for the financial year	14	<u>(741,077)</u>	<u>(758,339)</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 - 28 OCTOBER 2007

		28 October 2007		29 October 2006	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	8		1,497,104		1,523,934
Current assets					
Stocks	9	7,146,483		6,568,235	
Debtors	10	12,385,251		11,345,659	
Bank and cash balances		<u>272,223</u>		<u>3,168,259</u>	
		19,803,957		21,082,153	
Creditors					
Amounts falling due within one year	11	<u>24,785,191</u>		<u>25,551,487</u>	
Net current liabilities			<u>(4,981,234)</u>		<u>(4,469,334)</u>
Total assets less current liabilities			<u>(3,484,130)</u>		<u>(2,945,400)</u>
Creditors					
Amounts falling due after more than one year	11		<u>305,334</u>		<u>276,297</u>
			<u>(3,789,464)</u>		<u>(3,221,697)</u>
Provisions for liabilities and charges	12	507,600		323,587	
Deferred income					
Grants not yet credited to profit		<u>20,674</u>	<u>528,274</u>	<u>31,377</u>	<u>354,964</u>
Net liabilities			<u>(4,317,738)</u>		<u>(3,576,661)</u>
Capital and reserves					
Called up share capital	13		300		300
Profit and loss account	14		<u>(4,318,038)</u>		<u>(3,576,961)</u>
Equity shareholders' deficit	14		<u>(4,317,738)</u>		<u>(3,576,661)</u>

Approved by the Board on 21 August 2008



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 – 28 OCTOBER 2007

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

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

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.

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007

(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 by destination is as follows:

	2007	2006
	£	£
United Kingdom	48,874,510	46,310,463
Overseas	<u>874,097</u>	<u>325,707</u>
	<u>49,748,607</u>	<u>46,636,170</u>

All turnover originated in the United Kingdom

3 Operating profit/(loss)

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

	2007	2006
	£	£
Movement in stocks of finished goods and work in progress	(600,439)	691,749
Government grants	(10,703)	(14,715)
Raw materials and consumables	31,618,249	29,728,972
Auditors' remuneration - audit fees	14,400	15,000
Operating lease charges - plant	176,433	176,624
- other	371,476	406,033
Other external charges	4,927,056	4,334,516
Staff costs (note 5)	11,910,180	10,601,470
Depreciation on owned assets	268,012	274,208
Depreciation on assets held under finance leases	152,478	164,794
Other operating income	(27,902)	(66,975)
Other operating charges	531,465	650,050
Rent receivable	<u>(29,179)</u>	<u>(38,923)</u>
Sub total	49,301,526	46,922,803
Stock write downs	57,000	-
Restructuring and re-organisation costs	-	-
Redundancy costs (note 5)	<u>309,500</u>	<u>82,465</u>
	<u>49,668,026</u>	<u>47,005,268</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

4 Interest payable and similar charges (net)	2007	2006
	£	£
Capital charge by ultimate parent company	503,550	583,050
Interest on finance leases and hire purchase agreements	21,473	14,246
Other interest payable	<u>501,622</u>	<u>148,585</u>
	1,026,645	745,881
Interest received	<u>-</u>	<u>-</u>
	<u>1,026,645</u>	<u>745,881</u>

5 Directors and employees	2007	2006
	£	£
Staff costs		
Wages and salaries	10,814,478	9,441,478
Social security costs	910,655	800,653
Other pension costs	<u>494,547</u>	<u>441,804</u>
	<u>12,219,680</u>	<u>10,683,935</u>
Emoluments of the directors of the company were		
Remuneration for management	<u>593,959</u>	<u>326,989</u>

Total remuneration of the highest paid director was £335,488 (2006 £173,847) including £18,803 (2006 £12,564) of pension contributions

	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying services was	7	4
The number of directors granted share options in respect of Cosalt plc shares during the year was	0	3
The average number of employees of the company during the year was		
Management and administration	28	37
Production and sales staff	<u>433</u>	<u>375</u>
	<u>461</u>	<u>412</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

6 Taxation	2007	2006
	£	£
The taxation credit based on the loss on ordinary activities is		
UK corporation tax payable at 30% (2006 30%)	(248,000)	(295,000)
Deferred taxation	<u>(16,650)</u>	<u>(19,591)</u>
	(264,650)	(314,591)
Adjustment in respect of prior years		
Corporation tax	-	20,164
Deferred taxation	<u>59,663</u>	<u>(62,213)</u>
	<u>(204,987)</u>	<u>(356,640)</u>

Factors affecting the current tax credit

The tax assessed on the loss on ordinary activities for the year is higher (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%)

The differences are reconciled below

	2007	2006
	£	£
Loss on ordinary activities before tax	<u>(946,064)</u>	<u>(1,114,979)</u>
Tax at current UK Corporation tax rate of 30% (2006 30%)	(283,819)	(334,494)
Effects of		
Expenses not deductible for tax purposes	22,355	19,903
Timing differences between capital allowances and depreciation	13,117	26,313
Other short-term timing differences	(551)	(6,722)
Adjustments to tax charge in respect of previous periods	-	20,164
Re-measurement of deferred tax balances	<u>898</u>	<u>-</u>
Current tax credit for year	<u>(248,000)</u>	<u>(274,836)</u>

7 Dividends	2007	2006
	£	£
Final dividend paid in respect of the prior year but not recognised as liabilities in that year	<u>-</u>	<u>-</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 29 October 2006	4,519,791	95,016	4,614,807
Additions	364,417	43,743	408,160
Disposal	<u>-</u>	<u>(37,627)</u>	<u>(37,627)</u>
At 28 October 2007	<u>4,884,208</u>	<u>101,132</u>	<u>4,985,340</u>
Depreciation			
At 29 October 2006	3,030,320	60,553	3,090,873
Charged to profit and loss account	402,471	18,019	420,490
Re Disposal	<u>-</u>	<u>(23,127)</u>	<u>(23,127)</u>
At 28 October 2007	<u>3,432,791</u>	<u>55,445</u>	<u>3,488,236</u>
Net book values			
At 28 October 2007	<u>1,451,417</u>	<u>45,687</u>	<u>1,497,104</u>
At 29 October 2006	<u>1,489,471</u>	<u>34,463</u>	<u>1,523,934</u>

Assets costing £2,021,459, (2006 £1,528,159) 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

	2007 £	2006 £
Cost	2,000,964	1,808,271
Depreciation	<u>1,430,385</u>	<u>1,276,148</u>
Net book values	<u>570,579</u>	<u>532,123</u>

9 Stocks

Raw materials	1,309,311	1,331,502
Work in progress	158,933	145,747
Finished goods	<u>5,678,239</u>	<u>5,090,986</u>
	<u>7,146,483</u>	<u>6,568,235</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

10 Debtors	2007	2006
	£	£
Amounts falling due within one year		
Trade debtors	11,340,962	10,284,429
Corporation tax	248,000	321,657
Taxation recoverable	335,257	445,135
Other debtors	162,724	32,328
Prepayments and accrued income	<u>298,308</u>	<u>262,110</u>
	<u>12,385,251</u>	<u>11,345,659</u>

11 Creditors	2007	2006
	£	£
Amounts falling due within one year		
Trade creditors	7,389,111	8,788,486
Amount owed to ultimate parent company	10,432,076	10,432,076
Amounts owed to fellow subsidiary undertakings	15,007	20,925
Other taxation	117,948	118,231
Social security	139,362	136,335
Other creditors	5,946,387	5,344,583
Accruals and deferred income	596,739	584,546
Obligations under finance leases (note 15)	<u>148,561</u>	<u>126,305</u>
	<u>24,785,191</u>	<u>25,551,487</u>
Amounts falling due after more than one year		
Obligations under finance leases (note 15)	<u>305,334</u>	<u>276,297</u>

Other creditors £5,946,387 (2006 £5,344,583) comprise advances under a debtor financing agreement

12 Provisions for liabilities and charges

	Capital Bank	Warranty provision	Deferred taxation	Total
At 29 October 2006	67,000	255,000	1,587	323,587
Utilised	(180,538)	(808,000)	(16,650)	(1,005,188)
Charged to profit and loss account	<u>208,538</u>	<u>921,000</u>	<u>59,663</u>	<u>1,189,201</u>
At 28 October 2007	<u>95,000</u>	<u>368,000</u>	<u>44,600</u>	<u>507,600</u>

The capital bank provision of £95,000 (2006 £67,000) is to provide for the potential interest liability of a trade factoring arrangement

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

12 Provisions for liabilities and charges (continued)	2007	2006
	£	£
Analysis of deferred taxation		
Accelerated tax allowances	54,967	15,904
Other timing differences	<u>(10,367)</u>	<u>(14,317)</u>
	<u>44,600</u>	<u>1,587</u>
13 Called up share capital	2007	2006
	£	£
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	2007	2006
	£	£
(a) Reconciliation of movements in equity shareholders' funds		
Opening equity shareholders' deficit	(3,576,661)	(2,818,322)
Loss for the financial year	(741,077)	(758,339)
Dividends	<u>-</u>	<u>-</u>
Closing equity shareholders' deficit	<u>(4,317,738)</u>	<u>(3,576,661)</u>
(b) Profit and loss account		
Balance at 29 October 2006	(3,576,961)	
Loss for the financial year	(741,077)	
Dividends	<u>-</u>	
Balance at 28 October 2007	<u>(4,318,038)</u>	

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007
(continued)

15 Leasing obligations	2007	2006
	£	£
(a) Future commitments due under finance leases and hire purchase agreements are		
Within one year	150,401	128,139
Between two and five years	<u>305,667</u>	<u>227,087</u>
	456,068	405,226
Less future finance charges	<u>2,173</u>	<u>2,624</u>
	<u>453,895</u>	<u>402,602</u>
Shown in creditors (note 11) as		
Amounts falling due within one year	148,561	126,305
Amounts falling due after more than one year	<u>305,334</u>	<u>276,297</u>
	<u>453,895</u>	<u>402,602</u>
(b) Annual commitments due under non-cancellable operating leases are		
Land and buildings leases which expire		
Within one year	-	6,000
Between two and five years	241,240	233,240
In five years or more	<u>160,776</u>	<u>146,775</u>
	<u>402,016</u>	<u>386,015</u>
Plant leases which expire		
Within one year	34,717	96,847
Between two and five years	<u>92,527</u>	<u>66,476</u>
	<u>127,244</u>	<u>163,323</u>
The majority of leases of land and buildings are subject to rent reviews		
16 Capital commitments	2007	2006
	£	£
Contracted for but not provided for in the financial statements	<u>84,500</u>	<u>39,825</u>
Authorised but not contracted for	<u>25,500</u>	<u>67,220</u>

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2007 (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 28 October 2007 was £6,333,000.

The latest full actuarial valuation was carried out as at 31 December 2004 and was updated for FRS17 purposes as at 28 October 2007 by a qualified independent actuary. The contribution by the company for the year was £416,400 (2006 £429,066). Contributions to the stakeholder scheme amounted to £78,147 (2006 £12,738).

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 Subsequent events

As disclosed in the Half year report 2008, sales of caravans have declined since the year-end. Against this backdrop, the Group's new management team has decided to implement an immediate restructuring of the division in order to minimise the impact of the downturn, improve its performance and maximise value from the sale process.

Notwithstanding this decisive action, Holiday Homes will remain loss-making.

20 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.

21 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.