

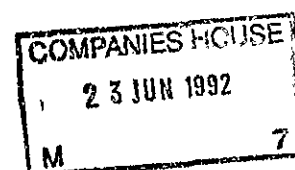
COSALT HOLIDAY HOMES LIMITED

FINANCIAL STATEMENTS

for the fifty-two weeks ended
1st September, 1991

KIDSONS IMPEY
Chartered Accountants

HULL



COSALT HOLIDAY HOMES LIMITEDDirectors

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 1st September, 1991 ("the year").

BUSINESS REVIEW

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

The 1991 season has been very difficult for the caravan industry as a whole. The company has been affected by a decline in sales but action has been taken to reduce production levels and cut operating costs.

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 £126,000 with £824 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. M. J. Isaac and B. Paterson 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 parent 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 1st September, 1991</u>	<u>At 3rd September, 1990</u>
M. J. Isaac	-	-
P. T. Nevitt	663	397
B. Paterson	3,030	2,198
A. Smith	-	-

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 1st September, 1991 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
December, 1990	8,000	December, 1993 to December, 2000	134.67p

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the financial year to 1st September, 1991, the company has maintained insurance cover for the directors and officers of the company as permitted by Section 310 of the Companies Act 1985.

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.

EMPLOYEES

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

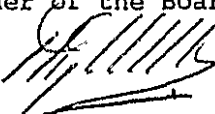
By various means efforts are made to encourage employee involvement in the company and to disseminate information to increase awareness of its activities and the decisions taken which affect employees' interests.

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, have intimated their willingness to continue in office.

By Order of the Board



A. B. Clark

Secretary

Fish Dock Road,
Grimsby.

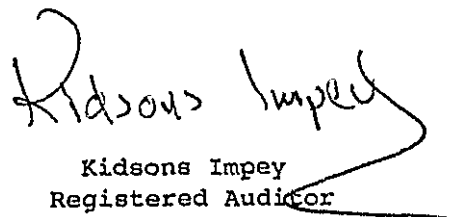
19th December, 1991.

COSALT HOLIDAY HOMES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 4 to 13 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 1st September, 1991 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.


Kidsons Impey
Registered Auditor

Hull: 18th November, 1991.

Chartered Accountants

COSALT HOLIDAY HOMES LIMITEDPROFIT AND LOSS ACCOUNTFOR THE FIFTY-TWO WEEKS ENDED 1ST SEPTEMBER, 1991

		52 weeks ended 1st September, 1991 £	52 weeks ended 2nd September, 1990 £
	<u>Note</u>		
TURNOVER	2	20,716,461 =====	23,727,919 =====
OPERATING PROFIT	3	725,034	1,577,975
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>528,559</u>	<u>523,658</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		196,475	1,054,317
TAXATION	6	<u>69,651</u>	<u>381,467</u>
PROFIT FOR THE FINANCIAL YEAR		126,824	672,850
DIVIDENDS	7	<u>126,000</u>	<u>672,000</u>
TRANSFERRED TO RESERVES	14	824 =====	850 =====

The notes on pages 7 to 13 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITEDBALANCE SHEET - 1ST SEPTEMBER, 1991

	<u>Note</u>	<u>1st September,</u> <u>1991</u>		<u>2nd September,</u> <u>1990</u>	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		320,813		376,686
CURRENT ASSETS					
Stocks	9	2,856,561		2,769,317	
Debtors	10	4,532,113		3,950,397	
Bank and cash balances		<u>7,006</u>		<u>1,442,389</u>	
		7,395,680		8,162,103	
CREDITORS					
Amounts falling due within one year	11	<u>7,598,187</u>		<u>8,378,295</u>	
NET CURRENT LIABILITIES			(202,507)		(216,192)
TOTAL ASSETS LESS CURRENT LIABILITIES			118,306		160,494
CREDITORS					
Amounts falling due after more than one year	11	93,326		130,879	
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>11,595</u>		<u>17,054</u>	
			<u>104,921</u>		<u>147,933</u>
NET ASSETS			13,385		12,561
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	13		300		300
Profit and loss account	14		<u>13,085</u>		<u>,261</u>
SHAREHOLDERS' FUNDS			13,385		12,561
			=====		=====

Approved by the Board on 18th November, 1991.


R. C. F. Lloyd - Director

The notes on pages 7 to 13 form part of these financial statements.

COSALT HOLIDAY HOMES LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE FIFTY-TWO WEEKS ENDED 1ST SEPTEMBER, 1991

	52 weeks ended 1st September, 1991 £	52 weeks ended 2nd September, 1990 £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	196,475	1,054,317
Item not involving the movement of funds:		
Depreciation	<u>103,386</u>	<u>86,190</u>
TOTAL GENERATED FROM OPERATIONS	299,861	1,140,507
Sale of tangible fixed assets	<u>1,565</u>	<u>6,450</u>
	301,426 =====	1,146,957 =====
APPLICATION OF FUNDS		
Working capital - increase/(decrease):		
Stocks	87,244	1,002,151
Debtors	581,716	310,468
Creditors (excluding bank overdraft, corporation tax, dividends and finance lease obligations)	<u>1,264,514</u>	<u>(657,796)</u>
	1,933,474	654,823
Dividends paid	672,000	800,000
Taxation paid	375,100	469,939
Purchase of tangible fixed assets	<u>49,078</u>	<u>261,220</u>
	3,029,652 =====	2,185,982 =====
Deficit	(2,728,226)	(1,039,025)
Movement in finance lease obligations	<u>(41,932)</u>	<u>71,695</u>
NET FUNDS DEFICIT	(2,770,158) =====	(967,330) =====
Represented by:		
Movement in net liquid funds:		
Decrease in bank and cash balances	(1,435,383)	(967,330)
Increase in bank overdraft	<u>(1,334,775)</u>	<u>-</u>
	(2,770,158) =====	(967,330) =====

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards and 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 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 element 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.

(f) 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.

2. TURNOVER

Turnover 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>1991</u> £	<u>1990</u> £
United Kingdom	19,628,536	22,711,164
Overseas	<u>1,087,925</u>	<u>1,016,755</u>
	20,716,461	23,727,919
	=====	=====

All turnover originated in the United Kingdom.

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991(CONTINUED)

3. OPERATING PROFIT

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

	<u>1991</u> £	<u>1990</u> £
Movement in stocks of finished goods and work in progress	(363,161)	(936,955)
Raw materials and consumables	15,061,159	17,412,207
Auditors' remuneration	8,250	8,250
Operating lease charges - plant	85,509	83,500
Other external charges	1,243,578	1,186,336
Staff costs (note 5)	3,852,706	4,310,416
Depreciation on owned assets	57,465	42,380
Depreciation on assets held under finance leases	<u>45,921</u>	<u>43,810</u>
	19,991,427	22,149,944
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1991</u> £	<u>1990</u> £
Capital charge by ultimate parent company	428,900	504,600
Interest on finance leases	20,389	19,058
Other interest	<u>79,270</u>	<u>--</u>
	528,559	523,658
	=====	=====

5. DIRECTORS AND EMPLOYEES

	<u>1991</u> £	<u>1990</u> £
Staff costs:		
Wages and salaries	3,468,187	3,882,907
Social security costs	295,174	335,399
Other pension costs	67,241	67,142
Employees' profit sharing scheme	<u>21,404</u>	<u>24,968</u>
	3,852,706	4,310,416
	=====	=====

The emoluments of directors of the company were:

	<u>1991</u> £	<u>1990</u> £
Remuneration for management	244,532	298,965
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991(CONTINUED)

5. DIRECTORS AND EMPLOYEES (continued)

Emoluments of directors (excluding pension contributions) were:

	<u>1991</u>	<u>1990</u>
	£	£
Chairman	29,576 =====	37,146 =====
Highest paid director	61,046 =====	75,640 =====
Other directors:	<u>Number</u>	<u>Number</u>
£35,001 - £40,000	1	-
£45,001 - £50,000	-	1
£55,001 - £60,000	2	-
£65,001 - £70,000	-	1
£70,001 - £75,000	-	1

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

	<u>1991</u>	<u>1990</u>
Management and administration	42	40
Production and sales staff	<u>214</u>	<u>232</u>
	256 ===	272 ===

6. TAXATION

The taxation charge based on profit on ordinary activities is:

	<u>1991</u>	<u>1990</u>
	£	£
U.K. corporation tax payable @ 33.6% (1990 - 35%)	85,000	385,000
Deferred taxation	<u>(5,459)</u>	<u>7,422</u>
	79,541	392,422
Adjustment in respect of prior years:		
Corporation tax	<u>(9,890)</u>	<u>(10,955)</u>
	69,651 =====	381,467 =====

The taxation charge for the year has been affected by expenditure disallowed for taxation purposes amounting to approximately £13,000 (1990 £21,000) at current rates.

COSALT HOLIDAY HOMES LIMITED

NOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991

(CONTINUED)

7. DIVIDENDS	<u>1991</u> £		<u>1990</u> £
Final dividend proposed	126,000 =====		672,000 =====
8. TANGIBLE FIXED ASSETS	<u>Plant and machinery</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST			
At 3rd September, 1990	722,340	10,882	733,222
Additions	49,078	-	49,078
Disposals	<u>(24,956)</u>	<u>(9,582)</u>	<u>(34,538)</u>
At 1st September, 1991	746,462 =====	1,300 =====	747,762 =====
DEPRECIATION			
At 3rd September, 1990	347,144	9,392	356,536
Charged to profit and loss account	103,461	(75)	103,386
Eliminated in respect of disposals	<u>(24,956)</u>	<u>(8,017)</u>	<u>(32,973)</u>
At 1st September, 1991	425,649 =====	1,300 =====	426,949 =====
NET BOOK VALUES			
At 1st September, 1991	320,813 =====	- =====	320,813 =====
At 2nd September, 1990	375,196 =====	1,490 =====	376,686 =====

Assets costing £182,000 (1990 £177,000) have been fully depreciated and are still in use.

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

	<u>1991</u>		<u>1990</u>	
	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>
	£	£	£	£
Cost	303,279	-	303,279	6,582
Depreciation	<u>172,379</u>	<u>-</u>	<u>125,658</u>	<u>6,252</u>
Net book values	130,900	-	177,621	330
	=====	=====	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991(CONTINUED)

9. STOCKS	<u>1991</u> £	<u>1990</u> £
Raw materials	635,157	911,074
Work in progress	259,219	200,454
Finished goods	<u>1,962,185</u>	<u>1,657,789</u>
	2,856,561	2,769,317
	=====	=====

10. DEBTORS	<u>1991</u> £	<u>1990</u> £
Amounts falling due within one year:		
Trade debtors	4,149,118	3,765,673
Taxation recoverable	17,337	4,832
Other debtors	191,469	6,572
Prepayments and accrued income	<u>174,189</u>	<u>173,320</u>
	4,532,113	3,950,397
	=====	=====

Trade debtors amounting to £1,329,000 (1990 £Nil) are on extended credit terms and may be received after more than one year.

11. CREDITORS	<u>1991</u> £	<u>1990</u> £
Amounts falling due within one year:		
Bank overdraft	1,334,775	-
Trade creditors	2,490,429	3,551,969
Amount owed to ultimate parent company	3,287,386	3,287,588
Amounts owed to fellow subsidiary undertakings	8,617	10,942
Corporation tax payable	85,010	385,000
Other taxation payable	22,061	82,160
Social security	22,743	61,253
Accruals and deferred income	183,808	285,646
Dividend payable	126,000	672,000
Obligations under finance leases (note 16)	<u>37,358</u>	<u>41,737</u>
	7,598,187	8,378,295
	=====	=====

Amounts falling due after more than one year:

Obligations under finance leases (note 16)	93,326	130,879
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991(CONTINUED)

12. PROVISIONS FOR LIABILITIES AND CHARGES	<u>1991</u> £	<u>1990</u> £
The provision included in the balance sheet relates to deferred taxation and comprises:		
Accelerated tax allowances	12,606	15,768
Other timing differences	<u>(1,011)</u>	<u>1,286</u>
	11,595	17,054
	=====	=====
13. CALLED UP SHARE CAPITAL	<u>1991</u> £	<u>1990</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 3rd September, 1990	12,261	
Profit for the year	<u>824</u>	
Balance at 1st September, 1991	13,085	
	=====	
15. CAPITAL COMMITMENTS	<u>1991</u> £	<u>1990</u> £
Contracted for but not provided in the financial statements	-	13,100
	=====	=====

COSALT HOLIDAY HOMES LIMITEDNOTES ON FINANCIAL STATEMENTS - 1ST SEPTEMBER, 1991(CONTINUED)

16. LEASING OBLIGATIONS

(a) Future commitments due under finance leases are:

	<u>1991</u>	<u>1990</u>
	£	£
Within one year	51,678	60,481
Between two and five years	105,780	131,016
In five years or more	<u>13,226</u>	<u>39,668</u>
	170,684	231,165
Less: future finance charges	<u>40,000</u>	<u>58,549</u>
	130,684	172,616
	=====	=====
Shown in creditors (note 11) as:	£	£
Amounts falling due within one year	37,358	41,737
Amounts falling due after more than one year	<u>93,326</u>	<u>130,879</u>
	130,684	172,616
	=====	=====

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

	<u>1991</u>	<u>1990</u>
	£	£
Plant leases which expire:		
Within one year	16,608	24,104
Between two and five years	<u>22,707</u>	<u>35,746</u>
	39,315	59,850
	=====	=====

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 £67,241 (1990 £67,142) 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.

18. ULTIMATE PARENT COMPANY

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