

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 2 APRIL 2006

Registered number: 01837026



BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

Financial Statements

Year ended 2 April 2006

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BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED**COMPANY INFORMATION****2 April 2006**

COMPANY NUMBER 01837026

DIRECTORS B J Thompson
A J Thompson
F C Gilje

SECRETARY D E Cam

REGISTERED OFFICE Whitehead House
Pacific Road
Altrincham
Cheshire
WA14 5BJ

BANKERS Royal Bank of Scotland plc
NatWest
1 Spinningfields Square
Manchester
M3 3AP

AUDITORS BDO Stoy Hayward LLP
Registered Auditors and Chartered Accountants
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

SOLICITORS Bannister Bates
12-22 Northumberland Street
Morecambe
Lancashire
LA4 4AX

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED**DIRECTORS' REPORT****2 April 2006**

The directors present their report and the audited financial statements for the year ended 2 April 2006.

Principal activities

The principal activity of the company is to act as a holding company. The principal activities of the group continue to be the operation of amusement parks and amusement devices. The activities of the trading subsidiaries are set out in note 10 to the accounts.

Review of the business and future developments

The year to 2 April 2006 was a difficult one for the Company and the Group.

The profit and loss account for the Group is set out on page 6 and shows turnover for the year of £42.5m and a loss for the year of £4.2m .

Turnover increased by less than 1% during the year. Trading during the period since the year-end has continued to be difficult and the directors do not believe there will be any significant improvement in the year to March 2007.

Further details of turnover are provided in note 2 to the accounts. The deterioration in the operating result is primarily attributable to the net increases in both direct operating costs and administrative expenses.

Since the balance sheet date the Group has substantially ceased trading at Pleasureland, its Southport site, and this is expected to have positive impact upon the profitability of the Group in future years. As a result of that decision an exceptional provision of £2,702,000 has been made in these financial statements to write down the carrying value of amusement devices and plant at that site to their recoverable amount.

In addition since the year-end the Group has conducted an all encompassing review of the structure and management of its businesses and significant cost savings have been identified. A restructuring programme is underway aimed at streamlining many aspects of the business. The review to date has identified a number of measures to significantly reduce costs in future periods.

Principal Risks and Uncertainties

The leisure market within which the Group operates remains highly competitive. A major factor impacting upon turnover is the weather. The Group has considered the possibility of insuring against adverse weather conditions, but considers the cost to be prohibitive.

The Group has loan facilities of £21,424,000 together with an overdraft at the year end of £7,331,000 with Royal Bank of Scotland to which interest is applied at varying rates, none of which exceed base rate plus 2%. The Directors believe that associated interest cost can be met for any reasonable foreseeable increase in base rates within the next year.

The Group monitors cash flow as part of its day to day control procedures. The Board considers projections on a regular basis to ensure that appropriate facilities are available as required.

Results, dividends and appropriations

The results for the year are shown in the profit and loss account on page 6.

The directors do not recommend payment of a dividend and the loss transferred from reserves is £4,217,326 (2005: profit £2,141,015).

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

DIRECTORS' REPORT

2 April 2006
(Continued)

Directors

The directors who served during the year to 2 April 2006 and their beneficial interests in the shares of the company as recorded in the register of directors' interests were as follows:

	2 April 2006		24 March 2005	
	Ordinary Shares	'A' Ordinary Shares	Ordinary Shares	'A' Ordinary Shares
B J Thompson	-	-	-	-
A J Thompson	94,617	62,787	94,617	62,787
F C Gilje	59,617	62,787	59,617	62,787

The directors' interests as trustees in the shares of the holding company are as follows:

	2 April 2006		24 March 2005	
	Ordinary Shares	'A' Ordinary Shares	Ordinary Shares	'A' Ordinary Shares
B J Thompson	-	-	-	-
A J Thompson	25,000	25,000	-	-
F C Gilje	-	-	-	-

B J Thompson, A J Thompson and F C Gilje also have an interest in 100,000 Ordinary shares held by the Blackpool Pleasure Beach Limited Self-Administered Pension Scheme.

In addition, Monitor and Merrimac Limited, a company in which B J Thompson, A J Thompson, and F C Gilje hold beneficial interests, are the registered holders of 7,924 ordinary shares and 151,638 'A' ordinary shares in the company.

The directors' interests in the shares of other group companies comprise holdings in Pleasureland Limited and Morecambe Pleasure Park Holdings Company and South Shore Mutual Insurance Company Limited. The holdings are disclosed in the accounts of those companies.

The director retiring at the Annual General Meeting is B J Thompson who, being eligible, offers herself for re-election.

Fixed assets

The movements in fixed assets during the year are set out in the notes to the financial statements.

In the opinion of the directors the market value of land and buildings exceeds the carrying value in the financial statements but they are unable to quantify the excess, in the absence of formal valuations.

Employees

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received. Regular meetings with employees' representatives are held to inform them of the development of the business. The company operates an employees' profit sharing scheme for permanent employees.

Safety

Safety remains of the very highest priority. The Board's Policy on safety is promulgated to all staff by means of a statement, which also makes clear each person's responsibility.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

DIRECTORS' REPORT

2 April 2006

(Continued)

Charitable and political donations

Payments of a charitable nature made during the year amounted to £Nil (2005: £3,642).

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 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 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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the board

D E Cam

Company Secretary

Registered Office:

Whitehead House
Pacific Road
Altrincham
Cheshire
WA14 5BJ

17 January 2007

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of Blackpool Pleasure Beach (Holdings) Limited

We have audited the group and parent company financial statements (the "financial statements") of Blackpool Pleasure Beach (Holdings) Limited for the year ended 2 April 2006 which comprise the group profit and loss account, the statement of total recognised gains and losses, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 group's and company's circumstances, consistently applied and adequately disclosed.

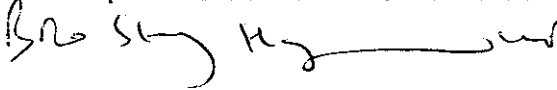
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 2 April 2006 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 2 April 2006;
- 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.

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Manchester


26 JANUARY 2007

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 2 April 2006

		Year to 2 April 2006	Year to 31 March 2005
	Note	£'000	£'000
Turnover	2	42,525	42,156
Cost of sales		(28,637)	(28,011)
Gross profit		<u>13,888</u>	<u>14,145</u>
Net operating expenses			
Administrative expenses		(14,260)	(12,131)
Impairment of fixed assets	3	(2,702)	-
Total administrative expenses		<u>(16,962)</u>	<u>(12,131)</u>
Operating (loss) / profit	3	<u>(3,074)</u>	2,014
Profit on disposal of fixed assets	5	43	2,126
Investment income	6	83	81
Unrealised surplus on investments		345	235
Interest receivable		68	15
Interest payable	7	(1,772)	(1,818)
(Loss) / profit on ordinary activities before taxation		<u>(4,307)</u>	2,653
Taxation	8	126	(544)
(Loss) / Profit on ordinary activities after taxation		<u>(4,181)</u>	2,109
Indirect equity interests		(36)	32
(Loss) / retained profit for the year	21	<u><u>(4,217)</u></u>	<u><u>2,141</u></u>

All of the activities of the group are classed as continuing.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

Year ended 2 April 2006

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 2 April 2006

	2006 £'000	2005 £'000
(Loss) / profit for the financial year	(4,217)	2,141
Total recognised (loss) / profit for the year	<u>(4,217)</u>	<u>2,141</u>

NOTES OF HISTORICAL COST PROFITS AND LOSSES

For the year ended 2 April 2006

	2006 £'000	2005 £'000
Reported (loss) / profit on ordinary activities before taxation	(4,307)	2,653
Unrealised surplus on investments	(146)	(212)
Historical cost (loss) / profit on ordinary activities before taxation	<u>(4,453)</u>	<u>2,441</u>
(Loss) / profit for the financial year	(4,217)	2,141
Unrealised surplus on investments	(146)	(212)
Historical cost (loss) / profit retained for the year after taxation, indirect equity interests and dividends	<u>(4,363)</u>	<u>1,929</u>

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

at 2 April 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	9	36,182	41,280
Investments	10	2,836	2,806
		<u>39,018</u>	<u>44,086</u>
Current assets			
Stocks	11	776	1,057
Debtors	12	2,345	5,282
Cash at bank and in hand		1,556	1,015
		<u>4,677</u>	<u>7,354</u>
Creditors: amounts falling due within one year	13	(15,676)	(21,788)
Net current liabilities		(10,999)	(14,434)
Total assets less current liabilities		<u>28,019</u>	<u>29,652</u>
Creditors: amounts falling due after more than one year	14	(18,792)	(16,120)
Provisions for liabilities and charges			
Deferred taxation	15	(2,287)	(2,337)
Other provision	16	(678)	(752)
Net assets		<u>6,262</u>	<u>10,443</u>
Capital and reserves			
Called up share capital	18	700	700
Capital reserve on consolidation	19	848	848
Share premium account	20	500	500
Profit and loss account	21	3,252	7,615
Other reserve fund	22	701	555
Indirect equity interests	25	261	225
Total equity shareholders' funds	17	<u>6,262</u>	<u>10,443</u>

The accounts on pages 6 to 28 were approved by the board of directors on 17 January 2007.

A J Thompson
Director

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

BALANCE SHEET

at 2 April 2006

	Note	2006 £'000	£'000	2005 £'000	£'000
Fixed assets					
Investments	10		794		794
Current assets					
Debtors	12	923		923	
Creditors: amounts falling due within one year	13	-		-	
Net current assets			923		923
Net assets			1,717		1,717
Capital and reserves					
Called up share capital	18		700		700
Share premium account	20		500		500
Profit and loss account	21		517		517
Total equity shareholders' funds			1,717		1,717

The accounts on pages 6 to 28 were approved by the board of directors on 17 January 2007.


A J Thompson
Director

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 2 April 2006

	2006 £'000	2005 £'000
Net cash inflow from operating activities	4,154	8,789
Returns on investment and servicing of finance		
Interest received	68	15
Dividends received	83	81
Finance interest paid	(16)	(155)
Interest paid	(1,756)	(1,663)
Net cash outflow from returns on investments and servicing of finance	(1,621)	(1,722)
Taxation		
Corporation tax paid	(367)	(31)
	2,166	7,036
Capital expenditure and financial investment		
Payments to acquire:		
Tangible fixed assets (Note 9)	(3,003)	(3,562)
Fixed asset listed investments (Note 10)	(309)	(395)
	(3,312)	(3,957)
Receipts from disposal of:		
Tangible fixed assets	7	108
Insurance proceeds	2,086	-
Fixed asset listed investments	510	355
	2,603	2,572
Net cash outflow from investing activities	(709)	(3,494)
Equity dividends paid	-	-
	1,457	3,542
Financing		
New medium term bank loan	1,652	-
Loan repaid in year	-	(570)
Capital element of finance lease payments	(497)	(1,088)
Net cash (outflow)/inflow from financing	1,155	(1,658)
Increase in cash	2,612	1,884

Further details are given in note 23.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006

1 Principal Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, except for investments, which are stated at revalued amounts.

Basis of consolidation

The consolidated financial statements comprise the results of the company and all subsidiary undertakings made up to 2 April 2006.

Blackpool Pleasure Beach (Holdings) Limited owns more than 50% of the equity but not 50% of the voting rights of Pleasureland Limited and of Morecambe Pleasure Park Holdings Company and its subsidiary. However, it is recognised that the company is in a position to assert control over the affairs of these companies and accordingly their results have been consolidated.

The company has taken advantage of Section 230 of the Companies Act 1985 not to present its own profit and loss account. No part of the consolidated result is dealt with in the company's own profit and loss account.

Cost of sales

Cost of sales represents all costs directly incurred by the group, including depreciation and an appropriate proportion of overheads, in order to bring each product sold to its saleable condition and to provide services to customers.

Depreciation

Depreciation of fixed assets other than freehold land, which is not depreciated, is charged by equal annual instalments commencing with the year of acquisition at rates, estimated to write off their cost or valuation less any residual value over their expected useful lives. Any impairment in the carrying value is charged to the profit and loss account. Amusement devices are written off over their useful lives not exceeding twenty years.

The following rates have been used:

Leasehold properties	over the period of the lease	
General buildings	2.5 % - 10%	Straight line
Industrial buildings	5% to 10%	Straight line
Amusement devices	5% to 50%	Straight line
Plant and machinery	5% to 25%	Straight line
Motor vehicles	20 % to 25%	Straight line
Assets under construction	Nil%	

The appropriateness of depreciation rates is reassessed annually.

Capitalisation of interest

Interest charges incurred in the acquisition, development and construction of tangible assets, where the expenditure on the project exceeds £100,000, are capitalised up to the point of completion.

Investments

Listed investments are stated at mid market value at the balance sheet date.

Investment properties

Certain properties owned by a subsidiary undertaking, South Shore Mutual Insurance Company Limited, are included in investments in the group financial statements and separately identified in note 10. These properties are included at open market value in accordance with the accounting principles relating to insurance companies under schedule 9 of the Companies Act 1985.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

1 Principal Accounting policies (continued)

Investment properties (continued)

The general group policy in relation to land and buildings, other than those held by South Shore Mutual Insurance Company Limited, is to maintain them at cost. The aggregate surplus or deficit arising on revaluations, net of deferred taxation is transferred to the other reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling prices less additional costs to completion and disposal.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at their estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the year of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to profit and loss account on a straight line basis over the term of the lease.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements.

Deferred tax is also provided on the increase in value of listed investments over and above their index-linked cost.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Trading results and assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pensions

The group operates two defined contribution schemes. The group also operates one defined benefit scheme, which is currently being wound up for which there is no material liability. It is the policy of the group to provide for pension liabilities by payment to trusts and insurance companies whose assets are completely separate from the assets of the group. Such liabilities are funded by contributions, based on the advice of independent advisors, and are charged to the profit and loss account when they fall due.

Unrealised surplus / (deficit) on investments

Unrealised gains or losses on investments included in the financial statements of South Shore Mutual Insurance Company Limited have been recorded in the profit and loss in accordance with schedule 9 of the Companies Act 1985 (relating to insurance companies). This represents the difference between the current value of investments at the balance sheet date and their purchase price or previous valuation.

An amount equivalent to the net unrealised surplus on revaluation of investments, less deferred taxation is recognised in a separate reserve ("other reserve").

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

1 Principal Accounting policies (continued)

Other provisions

Other provisions are calculated in accordance with the criteria set out in Financial Reporting Standard 12.

2 Turnover and segmental analysis

Turnover represents the amount derived from the provision of goods and services which fall within the group's ordinary activities, stated net of valued added tax.

All activities are classed as continuing. There were no acquisitions or disposals of operations during the year or previous year.

The analysis of turnover by geographical area is as follows:-

	2006 £'000	2005 £'000
United Kingdom	42,414	42,156
Other	111	-
	<u>42,525</u>	<u>42,156</u>

3 Operating (loss)/profit

	2006 £'000	2005 £'000
Operating (loss)/profit is stated after charging:		
Auditors' remuneration - Audit services	43	41
- Other services	64	41
Operating lease costs		
- Plant and machinery	501	530
- Other	141	141
Depreciation of tangible fixed assets - Owned assets	5,219	5,348
- Leased assets	330	330
	<u></u>	<u></u>

Exceptional Items

	2006 £'000	2005 £'000
Operating (loss) / profit is stated after crediting:		
Insurance recovery from insurers re public liability	-	(973)
Increased / (decreased) provision for public liability claims	-	193
	<u></u>	<u></u>

Items included after operating result:

Charge for impairment provision	2,702	-
	<u></u>	<u></u>

The charge of an impairment provision represents a permanent diminution in the value of amusement devices and plant recognised at Pleasureland, Southport resulting from plans to close the site in September 2006.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

4 Directors and employees

	2006 £'000	2005 £'000
Staff costs including directors		
Wages and salaries	16,728	16,240
Social security costs	1,473	1,400
Pension costs	673	467
	<u>18,874</u>	<u>18,107</u>
	2006 Number	2005 Number
Average number employed including executive directors		
Permanent staff	416	478
Seasonal staff	987	1,017
	<u>1,403</u>	<u>1,495</u>

Pension costs

The group operates two defined contribution schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension cost charge represents amounts payable by the group to the funds and amounted to £567,981 (2005: £466,961). Two of the parent company directors qualified for benefits from a self-administered pension scheme and the related contributions paid amounted to £250,000 (2005: £25,000).

	2006 £'000	2005 £'000
Directors		
Emoluments	341	405
	<u> </u>	<u> </u>
Highest paid director - emoluments	228	223
	<u> </u>	<u> </u>

5 Profit on disposal of fixed assets

	2006 £'000	2005 £'000
Profit on disposal of tangible fixed assets	-	2,109
Profit on disposal of fixed asset investments	43	17
	<u>43</u>	<u>2,126</u>

In the year to 24 March 2005 there were two fires. The first destroyed the station of a major amusement device and the second a building. The insurance proceeds exceeded the historical cost carrying value of these assets, resulting in a net profit on disposal of £2,109,000.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

6	Investment income	2006	2005
		£'000	£'000
	Income from fixed asset investments	83	81
7	Interest payable	2006	2005
		£'000	£'000
	Bank overdrafts and short term interest	326	414
	Bank loans wholly repayable within five years by instalments	1,331	1,134
	Other loans	99	115
	Finance leases	16	155
		<u>1,772</u>	<u>1,818</u>
8	Taxation	2006	2005
		£'000	£'000
	Current tax		
	UK Corporation tax (credit) / charge	(81)	267
	Under / (Over) provisions in prior years	5	(4)
		<u>(76)</u>	<u>263</u>
	Deferred taxation charge	(50)	281
		<u>(126)</u>	<u>544</u>
	14		

UK Corporation tax on profit for the year on ordinary activities is calculated at the rate of 30% (2005: 30%).

Factors affecting corporation tax charge for the year.

	2006	2005
	£'000	£'000
(Loss) / profit on ordinary activities before tax	(4,307)	2,653
Tax on profit on ordinary activities at standard rate of corporation tax – 30%	(1,292)	795
Effects of:		
Capital allowances in excess of depreciation	1,205	(78)
Expenses not deductible	152	(72)
Expenditure deferred on provisions	22	66
Capital gain to be rolled over	-	(607)
Trading losses brought forward utilised	-	(21)
Unrealised profit on investments	(103)	(70)
Mutual insurance loss / (profit)	(60)	250
Current corporation tax (credit)/charge for the year	<u>(76)</u>	<u>263</u>

Corporation tax on ordinary activities is calculated at the standard rate of corporation tax of 30% (2005: 30%).

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

9 Tangible fixed assets

		Land and buildings	Plant, machinery and vehicles	Amusement devices	Total
Cost		£'000	£'000	£'000	£'000
25 March 2005		14,249	24,552	58,339	97,140
Additions		670	1,431	902	3,003
Disposals		-	(25)	(76)	(101)
Reclassification (note 11)		145	(760)	772	157
2 April 2006		15,064	25,198	59,937	100,199
Depreciation					
25 March 2005		1,912	17,771	36,177	55,860
Charge for year		333	1,816	3,400	5,549
Impairment	1,478	-	538	2,164	2,702
Disposals		-	(25)	(69)	(94)
Reclassification		-	-	-	-
2 April 2006	40,986	2,245	20,100	41,672	64,017
Net book value					
2 April 2006	36,868	12,819	5,098	18,265	36,182
24 March 2005		12,337	6,781	22,162	41,280

Included in fixed assets are motor vehicles and amusement devices held under finance leases and hire purchase contracts with a net book value of £708,306 (2005: £708,306). The related depreciation charge on these assets for the year was £69,930 (2005 - £149,295).

The amount of finance costs included in the cost of amusement devices is £1,254,264 (2005: £1,254,264). The capitalisation rate used to determine the amount of finance costs capitalised during the year was based on an average rate of 8.29%.

Land and Buildings	Freehold	Long leasehold	Total
	£000	£000	£000
As at 2 April 2006			
Cost	10,752	4,312	15,064
Accumulated depreciation	1,832	413	2,245
Net book value			
2 April 2006	8,920	3,899	12,819

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

10 Fixed asset investments

Cost or valuation	Group investment properties £'000	Group listed investments £'000	Group total £'000	Company shares in subsidiaries £'000
25 March 2005	1,201	1,605	2,806	794
Additions	11	298	309	-
Disposals	-	(467)	(467)	-
Re-allocation	(157)	-	(157)	-
Change in market value	-	345	345	-
2 April 2006	1,055	1,781	2,836	794
Net book amount				
2 April 2006	1,055	1,781	2,836	794
24 March 2005	1,201	1,605	2,806	794

Properties included above are at their open market values totalling £1,055,000 (2005 £1,201,000). These are investment properties included within the fixed assets of South Shore Mutual Insurance Company Limited, a subsidiary undertaking. This is an insurance company and, as described in the accounting policies, it complies with schedule 9 of the Companies Act 1985 in revaluing investments annually. Valuations at open market value were performed by the directors, after taking professional advice.

In respect of assets stated at valuation, the comparable historical cost carrying values were as follows:

	2006 £ 000	2005 £ 000
Investment properties	929	1,075
Listed investments	948	1,184

The undermentioned are the principal subsidiary companies, all of which are incorporated in England.

	Proportion of issued capital held by the company	Principal activity
Blackpool Pleasure Beach Limited	100%	Operation of an amusement park and devices
Magic Harbor Rides Inc (USA)	100%	Non-trading
Milleride Limited	100%	Holding company

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

10 Fixed asset investments (continued)

	Proportion of issued capital held by the company	a subsidiary undertaking	Principal activity
Park Inventions and Devices Manufacturing Company	100%		Manufacture and development of amusement park devices, equipment and theatrical costumes
South Shore Mutual Insurance Company Limited	85%		Provision of insurance to members
Blackpool Leisure and Amusement Consultancy Limited	100%		Consultancy and entertainment services
Ocean Boulevard Limited	100%		Non-trading
Ocean Boulevard II Limited	100%		Development and operation of a hotel
Pleasureland Limited	95% (*)		Operation of an amusement park and devices
Morecambe Pleasure Park Holdings Company	78% (*)		Holding company
Frontierland Limited	100%		Non-trading

(*) The group owns 100% of the non-voting share capital. Common shareholders hold the voting share capital.

11 Stocks

	2006 £'000	2005 £'000
Raw materials and consumables	35	19
Finished goods and goods for resale	741	1,038
	<u>776</u>	<u>1,057</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

12 Debtors

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	880	1,130	-	-
Amounts owed by subsidiary undertakings	-	-	923	923
Amounts owed by related undertakings	-	156	-	-
VAT recoverable	378	17	-	-
Taxation recoverable	131	73	-	-
Other debtors	308	869	-	-
Insurance proceeds	264	2,350	-	-
Prepayments and accrued income	384	687	-	-
	<u>2,345</u>	<u>5,282</u>	<u>923</u>	<u>923</u>

All amounts shown under debtors fall due for payment within one year.

13 Creditors: amounts falling due within one year:

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Bank overdrafts	7,331	9,402	-	-
Term bank loans	2,632	3,652	-	-
Loan from self administered pension scheme	750	750	-	-
Trade creditors	3,621	5,195	-	-
Corporation tax	19	252	-	-
Other taxation and social security	316	424	-	-
Other creditors	405	632	-	-
Accruals and deferred income	602	984	-	-
Obligations under finance leases and hire purchase contracts (see note 14)	-	497	-	-
	<u>15,676</u>	<u>21,788</u>	<u>-</u>	<u>-</u>

Bank loans and overdrafts are secured by a legal mortgage and an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets.

Other bank loans are secured by a fixed and floating charge over the assets of a subsidiary undertaking.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

14 **Creditors: amounts falling due after more than one year**

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Bank loans	18,792	16,120	-	-

Bank loans and overdrafts are secured by a legal mortgage and an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets.

During the year the repayment schedule has been amended and the previous loans replaced. There is a term loan of £10,000,000 with repayments commencing on 31 October 2007 at the rate of £1,000,000 per annum. There is a second term loan of £5,500,000 repayable over five years and with the completion of the hotel extension in June 2005 a third term loan of £6,686,250. This loan is repayable over thirteen years by monthly instalments with a final instalment of £2,000,000. The loan bears interest at normal commercial rates (between 1.25% and 2% above bank base rate).

Maturity of debt:

2006	Bank loans	Finance leases and HP	Other loan	Total
	£000	£000	£000	£000
In one year or less, or on demand	2,632	-	750	3,382
In more than one year but not more than two years	2,632	-	-	2,632
In more than two years but not more than five years	7,285	-	-	7,285
In more than five years	8,875	-	-	8,875
	18,792	-	-	18,792
2005	Bank loans	Finance leases and HP	Other loan	Total
	£000	£000	£000	£000
In one year or less, or on demand	3,652	497	750	4,899
In more than one year but not more than two years	3,652	-	-	3,652
In more than two years but not more than five years	7,957	-	-	7,957
In more than five years	4,511	-	-	4,511
	16,120	-	-	16,120

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

15 Deferred taxation

	2006 £'000	2005 £'000
The balances are represented by:		
Accelerated capital allowances	2,198	2,424
Gains on revaluations of listed investment	223	121
Timing difference on expenditure	(130)	(160)
Trading tax losses carried forward	(4)	(48)
	<u>2,287</u>	<u>2,337</u>
	<u><u>2,287</u></u>	<u><u>2,337</u></u>
The movements are as follows:		
Opening balance	2,337	2,056
Amount charged for the year	(50)	281
	<u>2,287</u>	<u>2,337</u>
	<u><u>2,287</u></u>	<u><u>2,337</u></u>

The potential liability and provision are based on a corporation tax rate of 30% (2005: 30%).

No value has been placed on the accumulated trading tax losses of £1,130,907 (2005: £1,691,443) in a subsidiary company nor has any value been placed upon the excess of the tax written down value of the fixed assets over the net book value of those fixed assets in the financial statements in the same subsidiary company.

16 Provisions for liabilities and charges

	2006 £'000	2005 £'000
Other provisions		
Brought forward	752	559
Paid in year	(434)	(382)
Transfer to creditors – accruals	(57)	(74)
Net charge to profit and loss account	417	649
	<u>678</u>	<u>752</u>
	<u><u>678</u></u>	<u><u>752</u></u>

Other provisions relate to the directors' assessment of the likely costs to settle public liability claims where the incident occurred prior to the year end.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

17 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
(Loss) / profit /for the financial year attributable to members of the holding company	(4,217)	2,141
Opening equity shareholders' funds	10,218	8,077
Closing equity shareholders' funds	6,001	10,218
Closing indirect equity shareholders' interests	261	225
Total closing shareholders' funds	6,262	10,443

18 Called up share capital

	Authorised		Allotted, called up and fully paid up	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Ordinary shares of £1 each (equity)	400	400	400	400
'A' Ordinary shares of £1 each (equity)	300	300	300	300
	700	700	700	700

Rights of "A" Ordinary Shares

The "A" ordinary shares rank pari passu for the purposes of participation in profits and assets with the remainder of the share capital. However, the holders of "A" ordinary shares shall not be entitled to receive notices of such meetings or to be present or to vote at General Meetings. The directors may at any time with the consent of the holders of the share capital affected convert any of the "A" ordinary shares into ordinary shares. In the event of a winding up, the Liquidator may decide how to divide assets between the different classes of members.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

19	Capital reserve on consolidation	2006 Group £'000	
	Balance as at 24 March 2005 and 2 April 2006	848	
20	Share premium account	Group £'000	Company £'000
	Balance as at 24 March 2005 and at 2 April 2006	500	500
21	Profit and loss account	Group £'000	Company £'000
	Balance at 25 March 2005	7,615	517
	Loss for the year	(4,217)	-
	Unrealised surplus on investments net of tax transferred to other reserve fund	(146)	-
	Balance at 2 April 2006	3,252	517
22	Other reserve fund	Group £'000	Company £'000
	Balance as at 25 March 2005	555	-
	Transfer from profit and loss reserve for profit unrealised	146	-
	Balance as at 2 April 2006	701	-

This fund represents the net surpluses arising from the annual revaluation of the listed investments and investment properties in South Shore Mutual Insurance Company Limited, a subsidiary undertaking. Amounts are stated at market value as at the balance sheet date, net of tax.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006
(continued)

23 Cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005
	£'000	£'000
Operating (loss)/profit	(372)	2,014
Depreciation and amortisation charges	5,549	5,678
Decrease in stocks	281	187
Decrease / (increase) in debtors	909	(207)
(Decrease) / increase in creditors	(2,213)	1,117
	<u>4,154</u>	<u>8,789</u>

b) Reconciliation of net cash flow to movement in net debt

	2006	2005
	£'000	£'000
Increase in cash in the year	2,608	1,884
Cash (inflow)/outflow from increase in debt and lease financing	(1,155)	1,658
Change in net debt resulting from cash flows	<u>1,453</u>	<u>3,542</u>
New finance leases	-	-
Movement in net debt in the year	<u>1,453</u>	<u>3,542</u>
Net debt at 25 March 2005	(29,402)	(32,948)
Net debt at 2 April 2006	<u>(27,949)</u>	<u>(29,406)</u>

c) Analysis of changes in net debt

	At 25 March 2005	Cash flows	Other non- cash changes	At 2 April 2006
	£'000	£'000	£'000	£'000
Cash in hand and at bank	1,015	541	-	1,556
Bank overdrafts	(9,402)	2,071	-	(7,331)
		<u>2,612</u>		
Debt due within one year	(3,000)	368	-	(2,632)
Debt due after one year	(17,522)	(2,020)	-	(19,542)
Finance leases	(497)	497	-	-
		<u>(1,155)</u>		
	<u>(29,406)</u>	<u>1,457</u>	<u>-</u>	<u>(27,949)</u>

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006

(continued)

24 Guarantees and other financial commitments

The group

Capital expenditure authorised and contracted for up to 2 April 2006 but not provided in the accounts amounted to £ Nil (2005: £1,280,000).

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 2 April 2007.

	Land and buildings		Other	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Leases expiring:-				
within one year	102	97	456	486
within two to five years	-	-	45	45
after five years	40	40	-	-
	<u>142</u>	<u>137</u>	<u>501</u>	<u>531</u>

The company

The company is party to a cross guarantee with two of its subsidiary undertakings, Pleasureland Limited and Blackpool Pleasure Beach Limited in relation to a bank loan facility of up to £4.9 million taken out by Pleasureland Limited.

During the year a bank loan was renegotiated to finance the building and an extension of the Big Blue Hotel by Ocean Boulevard II Limited, a subsidiary undertaking. The total facility of £6,686,250 is secured by cross-guarantees from all group companies in favour of the Group's bankers.

The company is also party to a composite cross guarantee in favour of the Group's bankers. The total bank borrowings under the group guarantee were £28.9 million. The following subsidiary undertakings party to the cross guarantee were:

Blackpool Leisure and Amusement Consultancy Limited
 Blackpool Pleasure Beach Limited
 Ocean Boulevard II Limited
 Pleasureland Limited
 and with the following related undertakings:
 Cable Chutes II Limited

A subsidiary company Blackpool Pleasure Beach Limited has guaranteed, up to a maximum of £600,000 the obligations of Cable Chutes (Blackpool) Limited, a company controlled by members of the Thompson Family. The net liability under the guarantee at 2 April 2006 was £ nil.

25 Indirect equity interests

South Shore Mutual Insurance Company Limited is a company limited by guarantee not having a share capital. The group control through the founder member deposits, 85% of the votes of the members of the company. The group's liability is limited subject to such additional sum as is necessary to meet any liabilities should the company be wound up.

The indirect shareholders' equity interests represent the reserves attributable to the other members of the South Shore Mutual Insurance Company Limited and is computed in accordance with the Articles of Association of that Company. The other members of South Shore Mutual Insurance Company Limited are members of the Thompson family and are the controlling equity shareholders of Blackpool Pleasure Beach (Holdings) Limited. The indirect shareholders' equity interests are therefore included in total shareholders' funds.

26 Ultimate controlling party

The ultimate controlling parties are members of the Thompson family acting in concert.

BLACKPOOL PLEASURE BEACH (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

2 April 2006

(continued)

27 Related party transactions

The group has taken advantage of the exemption contained in Financial Reporting Standard No 8 from disclosing group transactions and balances on the grounds that consolidated accounts are prepared.

Group transactions with related parties are as follows:

	Cable Chutes (Blackpool) Ltd		Cable Chutes II Ltd		Blackpool Pleasure Beach Self Administered Pension Scheme	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Agency transactions	15	15	-	-	-	-
Rendering/(receiving) of services	2,174	2,625	8	6	(108)	(108)
Finance charges payable to related party	-	47	-	-	(56)	(57)
Amount owed by/(to) related party	(268)	321	1	19	(762)	(842)

Agency transactions are those where a member of the group has collected or paid money on behalf of the related party and recharged the amounts through the loan accounts.

All the above-mentioned companies are related parties whose ultimate controlling parties are members of the Thompson family acting in concert.

Amounts included in other debtors (note12):

Amount owed by related party	2006 £	2005 £
F C Gilje – shareholder and director	-	1,528
B J Thompson – shareholder and director	9,016	-
N W R Thompson - shareholder	116,840	151,392

28 Shareholders fund movements

	Share capital	Consoli dation reserve	Share premium account	Profit & loss account	Other reserve fund	Indirect shareholders equity interests
	£'000	£'000	£'000	£'000	£'000	£'000
Brought forward	700	848	500	7,615	555	225
Loss for year	-	-	-	(4,217)	-	-
Group share of unrealised revaluation deficit on investments net of taxation	-	-	-	(146)	146	-
Minority share of profit	-	-	-	-	-	36
	<u>700</u>	<u>848</u>	<u>500</u>	<u>3,252</u>	<u>701</u>	<u>261</u>

Draft 1

Draft 2

Fixed assets

Draft 3

Cash flow

Draft 4

Minor corrections from auditors

Draft 10

Charitable donations

Auditors' remuneration

Directors' remuneration

Operating costs PL disclosure

PI provision

Capital expenditure assume £nil

Pension costs

Interest payable disclosure details since Ple was correct as all loans therefore correct

Bank loan terms

Directors' loan

Diminution of assets note

££250k top SAPS is included

FCG loan nil? It is only £33

Draft 11

Related parties

Staff costs

Diminution re Spaceshot at Southport £422

Deferred tax changes too £127

Business review

Draft 11 +rar +ac

Revised audit reports etc

Auditors minor amendments

Reallocation between Amusement devices and plant to reconcile fixed assets per consol to PH figures

PI increased provision is this exceptional yes per bdo

Variations in guarantee notes

Total bank borrowings 7331 +2632_18972=28,935

Draft 20 post acm

Revised note re PLC and related accounting policy

Final diminution	
Traumatizer	£429k
Other Southport rides	£41k
Spin Doctor	£216k
Total	£686k

Deferred tax reduced by	£64k
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Final
Date 17 January 2007

Outstanding

Minor differences re intercompany balances