


Hendy Leisure Limited

Report and Accounts

31 DECEMBER 1995

 ERNST & YOUNG



Henly Leisure Limited

Registered No. 3049265

DIRECTORS

Mr N V Henly (Chairman)
Mr B F Henly
Mr I R Jones
Mr T J Mynott, FCA
Mr R Woolley
Mr M Fudge

SECRETARY

Mr T J Mynott, FCA

AUDITORS

Ernst & Young
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Lloyds Bank plc
PO Box 19
19/21 High Street
Southampton
SO9 7AN

SOLICITORS

McCarrahers
5 College Place
Southampton
SO9 3RA

REGISTERED OFFICE

Henly House
Yeomans Way
Bournemouth
BH8 0BJ

Hendy Leisure Limited

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 December 1995.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £65,847.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company was incorporated on 25 April 1995.

The principal activities of the company are the sale and operation of leisure motor vehicles and allied equipment.

DIRECTORS AND THEIR INTERESTS

The directors during the period and to the date of this report were as follows:

Mr N V Hendy (Chairman)
Mr B F Hendy
Mr I R Jones
Mr T J Mynott, FCA
Mr F L Woolley (deceased 12 April 1996)
Mr R Woolley
Mr M Fudge

No director had any beneficial interest in the share capital of the company at any time during the year.

Mr M Fudge had no interest in the share capital of the parent undertaking at any time during the year. The other directors' interests in the share capital of the parent undertaking are disclosed in the accounts of that company.

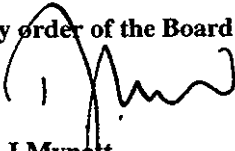
CLOSE COMPANY STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



T J Mynott
Secretary
23 May 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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 those accounts, 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 accounts; and
- prepare the accounts on a 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS
to the members of Hendy Leisure Limited

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Southampton
23 May 1996

Hendy Leisure Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 1995

	<i>Notes</i>	<i>1995</i> <i>£</i>
TURNOVER	3	139,636
Cost of sales		<u>83,795</u>
GROSS PROFIT		55,841
Administrative expenses		<u>126,046</u>
OPERATING LOSS	4	(70,205)
Interest payable	6	<u>(27,878)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(98,083)
Taxation credit on loss on ordinary activities	7	<u>32,236</u>
LOSS FOR THE PERIOD	15	<u><u>(65,847)</u></u>

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £65,847 for the period ended 31 December 1995.

Hendy Leisure Limited

BALANCE SHEET

at 31 December 1995

	Notes	1995 £
FIXED ASSETS		
Tangible assets	8	446,549
CURRENT ASSETS		
Stocks	9	6,975
Debtors	10	83,920
		90,895
CREDITORS: amounts falling due within one year	11	296,396
NET CURRENT LIABILITIES		(205,501)
TOTAL ASSETS LESS CURRENT LIABILITIES		241,048
CREDITORS: amounts falling due after more than one year		
Obligations under finance leases	12	279,798
EXCESS OF LIABILITIES OVER ASSETS		(38,750)
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	13	(26,997)
EXCESS OF LIABILITIES OVER ASSETS		(65,747)
CAPITAL AND RESERVES		
Called up share capital	14	100
Profit and loss account	15	(65,847)
SHAREHOLDERS' FUNDS - equity interests		(65,747)

N V Hendy



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T J Mynott



Directors

23 May 1996

NOTES TO THE ACCOUNTS

at 31 December 1995

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

Basis of preparation

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

Cash flow statement

The company has utilised the exemptions provided under Financial Reporting Standard No.1 and has not presented a cash flow statement. A cash flow statement has been presented in the group accounts of the ultimate parent undertaking.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Road trains	-	10% on cost
Motor vehicles	-	36% or 24% on cost depending on vehicle type
Fixtures and fittings	-	20% on cost
Computer equipment	-	20% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost is based on those costs incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Pensions

The company contributes to a defined benefit pension scheme for the Hendy Lennox group of companies, with contributions being made to a separately administered fund. Contributions to the fund are charged to the profit and loss account so as to spread the cost of the pensions over the employees working lives within the group. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet of the parent undertaking.

3. TURNOVER

Turnover, which is stated net of value added tax, represents income from road train fares and relates entirely to the United Kingdom. Turnover arises entirely from continuing operations.

Hendy Leisure Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

4. OPERATING LOSS

(a) This is stated after charging: 1995
£

Auditors' remuneration	2,500
Depreciation of owned fixed assets	9,113
Depreciation of assets held under finance leases	<u>31,939</u>

(b) Directors' remuneration 1995
£

Emoluments (including pension contributions)	<u>-</u>
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Emoluments (excluding pension contributions) of the chairman	<u>-</u>
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Emoluments (excluding pension contributions) of the highest paid director	<u>-</u>
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Directors' emoluments (excluding pension contributions) fell within the following ranges:

	1995
	No.
£Nil - £5,000	<u>7</u>

5. STAFF COSTS

	1995
	£
Wages and salaries	83,425
Social security costs	6,345
	<u>89,770</u>

The average weekly number of employees during the period, including directors, was 10.

6. INTEREST PAYABLE

	1995
	£
Bank loans and overdrafts and other loans wholly repayable within five years	<u>27,878</u>

7. TAXATION CREDIT ON LOSS ON ORDINARY ACTIVITIES

	1995
	£
Based on the loss for the period:	
Group relief	(59,233)
Transfer to deferred taxation	26,997
	<u>(32,236)</u>

Hendy Leisure Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

8. TANGIBLE FIXED ASSETS

	<i>Road trains</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings & equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
Additions	—	29,559	3,055	868	33,482
Group transfers in	454,119	—	—	—	454,119
At 31 December 1995	454,119	29,559	3,055	868	487,601
Depreciation:					
Provided during the period	31,939	8,350	611	152	41,052
At 31 December 1995	31,939	8,350	611	152	41,052
Net book value at 31 December 1995	422,180	21,209	2,444	716	446,549

Road trains are held under finance lease arrangements with Barclays Mercantile Business Finance Limited (note 12).

9. STOCKS

	1995 £
Vehicles for sale or lease	6,975

10. DEBTORS

	1995 £
Due within one year:	
Amounts due from group undertakings	59,233
Trade debtors	2,916
Prepayments and accrued income	21,771
	83,920

11. CREDITORS: amounts falling due within one year

	1995 £
Barclays Mercantile Business Finance Limited (note 12)	63,877
Bank overdraft (see below)	91,178
Amounts due to group undertakings	128,265
Trade creditors	2,798
Accruals and deferred income	10,278
	296,396

The bank overdraft is secured by an unlimited debenture over the assets of the group.

Hendy Leisure Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

12. OBLIGATIONS UNDER FINANCE LEASES

The maturity of these amounts is as follows:

Amounts payable to Barclays Mercantile Business Finance Limited:

within one year

within two to five years

1995

£

63,877

279,798

343,675

Amounts owed to Barclays Mercantile Business Finance Limited are in respect of finance lease arrangements for road trains and are secured on those vehicles. Interest is borne on these amounts at rates established at inception of the individual contracts. The amounts shown are net of interest that would be allocated to future periods.

13. DEFERRED TAXATION

Full provision has been made for deferred taxation as follows:

1995

£

26,997

Capital allowances in advance of depreciation

£

26,997

Transfer to profit and loss account

26,997

At 31 December 1995

14. SHARE CAPITAL

*Allotted, called
up and fully*

Authorised

1995

No.

paid

1995

£

Ordinary shares of £1 each

1,000

100

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
Issue of shares	100	—	100
Loss for the period	—	(65,847)	(65,847)
At 31 December 1995	<u>100</u>	<u>(65,847)</u>	<u>(65,747)</u>

NOTES TO THE ACCOUNTS

at 31 December 1995

16. CAPITAL COMMITMENTS

The directors had not authorised any future capital expenditure at 31 December 1995.

17. PENSION COMMITMENTS

The company is a member of the Hendy Lennox Group Pension Scheme, a defined benefit scheme, whose funds are administered by trustees and are independent of group finances.

The accounts reflect the actual pension costs which are assessed in accordance with the advice of independent actuaries.

Particulars of the latest actuarial valuation of the scheme can be found in the accounts of F A Hendy & Lennox (Holdings) Limited.

18. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to Lloyds Bank plc in connection with facilities available to the parent undertaking.

19. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of F A Hendy & Lennox (Holdings) Limited, a company registered in England and Wales. The consolidated accounts of F A Hendy & Lennox (Holdings) Limited are those of both the smallest and largest group of which the company is a member and for which group accounts are prepared. Copies of the consolidated accounts may be obtained from the following address:

Hendy House
Yeomans Way
Bournemouth
Dorset
BH8 0BJ