

CAISTER GROUP LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1988

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CAISTER GROUP LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1988

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## CAISTER GROUP LIMITED

### DIRECTORS' REPORT

#### Directors

J F Jarvis	(Resigned 30 December 1987)
C Stein	( " " " " )
D O Thomas	( " " " " )
I S Baker	(Appointed 30 December 1987)
D J Slatcher	( " " " " )

#### Secretary

F G N Thomas

#### Registered Office

Mecca House, 76 Southwark Street, London SE1 0PP.

The Directors have pleasure in presenting their report and the company's financial statements for the year ended 31 December 1988.

#### RESULTS AND DIVIDENDS

The company has changed its accounting reference date from 29 December to 31 December.

The profit for the year attributable to shareholders of £1,757,724 (1987 - £9,199,119) has been dealt with as shown in the profit and loss account.

A dividend of £2,000,000 (1987 - £5,918,286) was proposed during the year.

#### PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company has continued to operate its UK holiday centres during the year under the ownership of Mecca Leisure Group, and it is anticipated that further authorised investment in the asset base should enhance profit expectations in future years.

On 1 January 1989 the company transferred its trade together with all of its assets to Pleasurama PLC. The company has subsequently become dormant.

#### SIGNIFICANT EVENT

On 30 December 1987, the whole of the company's issued share capital was purchased by Mecca Leisure Group Plc.

#### FIXED ASSETS

Movements in respect of tangible fixed assets during the year together with the revaluation of land and buildings are detailed in note 7 to the financial statements.

#### DIRECTORS

The directors in office during the year are listed above together with the details of their appointments and resignations.

Messrs I S Baker and D J Slatcher retire in accordance with the Articles of Association, and being eligible, offer themselves for re-election.

## CAISTER GROUP LIMITED

### DIRECTORS' REPORT (continued)

The directors who held office at the end of the financial year had the following beneficial interests in the shares of Mecca Leisure Group PLC:

	Ordinary Shares of 10p each	Share Options Executive	SAYE
D J Slatcher	Nil	22,641	3,789

Mr I S Baker is a director of the holding company, Mecca Leisure Group PLC, and his interests are disclosed in the annual report of that company.

No director has any interest in the share capital of Caister Group Limited.

No director has any interest in any contract, other than their contracts of employment, with the company.

#### DISABLED PERSONS

The company's policy which applied during the year, is as follows:

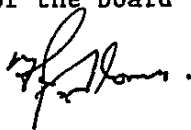
- (a) Full and fair consideration is given to disabled applicants for employment, having regard to their particular aptitudes and abilities;
- (b) Where possible, if an employee becomes disabled, employment is continued either in the same or an alternative position, with appropriate training being given when necessary;
- (c) Disabled employees share in the opportunities for training, career development and promotion.

#### AUDITORS

Deloitte Haskins & Sells have expressed their willingness to continue as auditors of the company and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board

Secretary

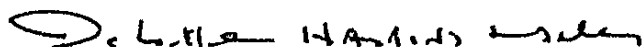


REPORT OF THE AUDITORS  
TO THE MEMBERS OF CALSTER GROUP LIMITED

We have audited the financial statements on pages 5 to 12 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 31 December 1988 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The financial statements do not include the Statement of Source and Application of Funds required by Statement of Standard Accounting Practice No.10.



Chartered Accountants

Southampton

3. July 1989

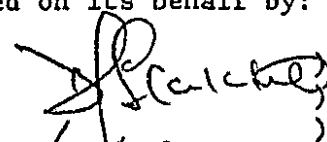
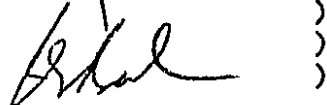
CAISTER GROUP LIMITEDPROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
TURNOVER		10,999,669	9,605,480
Cost of sales		(6,491,680)	(4,929,822)
GROSS PROFIT		4,507,989	4,675,658
Administrative expenses		(1,662,234)	-
OPERATING PROFIT		2,845,755	4,675,658
Dividends received from group companies		-	6,302,786
Interest payable	2	-	(8,139)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,845,755	10,970,305
Taxation	5	(1,088,031)	(1,771,196)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,757,724	9,199,109
Dividends	6	(2,000,000)	(5,918,286)
(LOSS)/PROFIT FOR THE YEAR		<u>£(242,276)</u>	<u>£3,280,823</u>
STATEMENT OF RETAINED PROFITS			
Balance at beginning of year		5,564,272	2,283,449
(Loss)/profit for the year		(242,276)	3,280,823
Balance at end of year		<u>£5,321,996</u>	<u>£5,564,272</u>

CAISTER GROUP LIMITEDBALANCE SHEET AT 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
FIXED ASSETS			
Tangible assets	7	15,750,000	14,605,212
Investments	8	38,308	38,308
		<u>15,788,308</u>	<u>14,643,520</u>
CURRENT ASSETS			
Stocks	9	230,773	225,653
Debtors	10	190,914	186,144
Cash at bank and in hand		(8,166)	15,100
		<u>413,521</u>	<u>426,897</u>
CURRENT LIABILITIES			
CREDITORS - amounts falling due within one year	11	(5,933,703)	(2,773,581)
NET CURRENT LIABILITIES		<u>(5,520,182)</u>	<u>(2,346,684)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,268,126	12,296,836
CREDITORS - amounts falling due after more than one year	12	-	(143,190)
PROVISIONS FOR LIABILITIES AND CHARGES - Deferred taxation	13	(49,504)	(49,504)
NET ASSETS		<u>£10,218,622</u>	<u>£12,104,142</u>
CAPITAL AND RESERVES			
Called up share capital	14	813,476	813,476
Share premium account		1,022,355	1,022,355
Revaluation reserve	15	3,060,795	4,704,039
Profit and loss account		5,321,996	5,564,272
		<u>£10,218,622</u>	<u>£12,104,142</u>

Approved by the board on  
and signed on its behalf by:

  
  
Directors

CAISTER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988

1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

(b) Turnover

Turnover represents the invoiced value of goods sold and services rendered by the company, exclusive of value added tax.

(c) Depreciation

- (i) Freehold land is not depreciated.

- (ii) Depreciation has not been provided on freehold buildings and leasehold properties with an unexpired period in excess of 30 years. The directors are of the opinion that the length of the lives and residual values of the buildings are such that any depreciation would be immaterial.

- (iii) Short leasehold properties are amortised over the life of the lease.

- (iv) Fixtures, fittings and equipment are depreciated on a straight line basis, at rates between 7½% and 25%, to write down their cost to residual values over their estimated useful lives.

(d) Stocks

Stocks have been valued at the lower of cost and net realisable value.

(e) Deferred taxation

Deferred taxation is provided at appropriate future rates in respect of taxation liabilities, deferred for any reason, to the extent that it is probable such liabilities will crystallise. No provision is made for any tax on capital gains that could arise from the future disposal of any fixed assets shown in the financial statements at valuation.

2. INTEREST PAYABLE

7½% debenture - loan stock interest

	<u>1988</u>	<u>1987</u>
	£	£
	£-	£8,139
	<u>          </u>	<u>          </u>



CAISTER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988  
(Continued)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1988</u> £	<u>1987</u> £
Profit on ordinary activities before taxation is stated after charging:-		
Depreciation of tangible fixed assets	373,850	195,054
Hire of plant and equipment	35,446	467,795
Operating lease rental	39,214	51,813

Auditors' remuneration for the year has been borne entirely by other group companies

4. DIRECTORS AND EMPLOYEES

(a) Directors

The emoluments of the directors are borne entirely by other Group companies and are disclosed as appropriate in the accounts of those companies.

(b) Employees

Staff costs and numbers.

Wages and salaries	1,605,197	1,575,602
Social security costs	110,506	108,186
Pension costs	30,602	7,752
	<u>£1,746,305</u>	<u>£1,691,540</u>

The average number of persons employed during the year was as follows:

	<u>1988</u> Number	<u>1987</u> Number
Average number of employees	<u>350</u>	<u>505</u>

5. TAXATION

	<u>1988</u> £	<u>1987</u> £
UK Corporation tax based on the taxable profit for the year at a rate of 35%	1,088,031	1,205,943
Underprovision in prior year	-	461,973
Deferred taxation - current year	-	(42,029)
- prior year	-	78,195
Interest on overdue tax	-	67,114
	<u>£1,088,031</u>	<u>£1,771,196</u>

# CAISTER GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

6. DIVIDENDS	1988 £	1987 £
Ordinary dividend proposed	£2,000,000	£5,918,286

### 7. TANGIBLE ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures fittings, plant, machinery & caravans £	Assets under construction £	Total £
<u>Cost or valuation</u>					
At 30 Dec 1987	8,590,129	5,932,088	3,217,976	-	17,740,193
Deficit on revaluation	(1,607,795)	(175,037)	-	-	(1,782,832)
Additions	2,664,874	196,547	239,869	60,592	3,161,882
Disposals	-	-	(125,145)	-	(125,145)
At 31 Dec 1988	9,647,208	5,953,598	3,332,700	60,592	18,994,098
<u>Depreciation</u>					
At 30 Dec 1987	-	-	3,134,981	-	3,134,981
Adjustment on revaluation	-	(139,588)	-	-	(139,588)
Charge for the year	-	186,588	187,262	-	373,850
Disposals	-	-	(125,145)	-	(125,145)
At 31 Dec 1988	-	47,000	3,197,098	-	3,244,098
<u>Net Book Value</u>					
At 31 Dec 1988	£9,647,208	£5,906,598	£135,602	£60,592	£15,750,000
At 29 Dec 1987	£8,590,129	£5,932,088	£82,994	£-	£14,605,212

The cost or valuation of land and buildings comprises:

	Freehold £	Leasehold £
Valuation	9,647,208	5,953,598
Cost	-	-
	£9,647,208	£5,953,598

A professional valuation of the company's premises was carried out at 31 December 1988, on an open market value basis, by a specialist firm of qualified valuers (Charles F Jones & Son).

If no revaluation had taken place the amount at which the land and buildings would have been included in the accounts is:

	1988 £	1987 £
Land and buildings	£15,344,474	£9,818,179

# CAISTER GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

### 8. INVESTMENTS

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Investments at cost	38,308	38,308

Investments represent the company's interests in the following wholly owned subsidiary companies:

<u>COMPANY</u>	<u>ACTIVITY</u>
Arcade Enterprises Limited	Dormant
Caister Group Developments Limited	"
Caister Hotels Limited	"
The Caister-on-Sea Holiday Camp Limited	"
Caister Entertainments Limited	"
Great Yarmouth Seashore Caravans Limited	"
Herbert Freeman Limited	"
O. L. (California) Limited	"
Silver Sands Estate (Caister) Limited	Investment company
Paul Rackham Construction Limited	Dormant

The companies above are incorporated in England and trade as Warner Holidays. The company's investment is in their ordinary share capital.

In the opinion of the directors the value of the investment in subsidiaries is not less than the amount at which they are stated in these financial statements.

### 9. STOCKS

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Food and beverage	107,036	88,540
Gift stock	5,381	4,622
Consumables	108,356	122,491
Sundry stock	10,000	10,000
	<u>£230,773</u>	<u>£225,653</u>

The replacement values of stocks are not materially different from the above figures.

### 10. DEBTORS - amounts falling due within one year

Trade debtors	72,107	-
Prepayments and accrued income	118,807	153,077
Other debtors	-	33,067
	<u>£190,914</u>	<u>£186,144</u>

**CAISTER GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988**  
(Continued)

11. CREDITORS - amounts falling due within one year

	1988 £	1987 £
Payments on account	144,263	-
Trade creditors	6,142	69,197
Corporation tax	1,243,891	1,549,697
Amounts due to fellow subsidiaries	2,493,753	933,357
Amounts due to ultimate holding company	1,688,101	-
Other taxation including social security	71,430	-
Accruals	286,123	221,330
	<u>£5,933,703</u>	<u>£2,773,581</u>

12. CREDITORS - amounts falling due after more than one year

7½% debenture stock 1987/92	£-	£143,190
	<u>£-</u>	<u>£143,190</u>

The loan stock was repaid during the year.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation

At 30 December 1987	(49,504)	(13,348)
Charge for the year	-	(36,156)
	<u>-</u>	<u>(36,156)</u>
At 31 December 1988	£(49,504)	£(49,504)
	<u>£(49,504)</u>	<u>£(49,504)</u>

The major components of the provision for deferred taxation and the amounts not provided are as follows:

	Provided		Not provided	
	1988 £	1987 £	1988 £	1987 £
Capital allowances	47,650	47,650	61,071	-
Other timing differences	1,854	1,854	-	-
	<u>£49,504</u>	<u>£49,504</u>	<u>£61,071</u>	<u>£-</u>

14. CALLED UP SHARE CAPITAL

	1988 £	1987 £
Authorised		
10,000,000 ordinary shares of 10p each	£1,000,000	£1,000,000
	<u>£1,000,000</u>	<u>£1,000,000</u>
Allocated, called-up and fully paid		
8,134,756 ordinary shares of 10p each	£813,476	£813,476
	<u>£813,476</u>	<u>£813,476</u>

# CAISTER GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

### 15. REVALUATION RESERVE

The reserve arises as a result of the revaluation of the properties and is not distributable. No provision has been made for the tax liability which would arise if the properties were disposed of at the revalued amounts.

	<u>1988</u> £
Balance at 30 December 1987	4,704,039
Deficit arising on the revaluation of land and buildings on 31 December 1988	(1,643,244)
Balance at 31 December 1988	<u>£3,060,795</u>

### 16. FINANCIAL COMMITMENTS

- (a) At 31 December 1988 capital expenditure has been committed amounting to:

	<u>1988</u> £	<u>1987</u> £
Contracted for	£2,096,000	£-

- (b) The annual commitments under non-cancellable operating leases at 31 December 1988 were as follows:

	<u>Land &amp; Buildings</u> <u>1988</u> £	<u>1987</u> £
Lease expiring:		
After five years	£54,250	£54,250

### 17. CONTINGENT LIABILITIES

The company has jointly and severally guaranteed the Value Added Tax liability of certain other companies within the group registration.

### 18. ULTIMATE HOLDING COMPANY

The ultimate holding company at 31 December 1988 was Mecca Leisure Group PLC, a company registered in England.