

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER, 1998.

Company No. 1586157 (England and Wales)



KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

COMPANY INFORMATION

DIRECTORS:

D. Waite
J. Waite
H. Waite
J. Waite

SECRETARY:

J. Waite

COMPANY NUMBER:

1586157 (England and Wales)

REGISTERED OFFICE:

Tophams Farm,
Conistone with Kilnsey,
Skipton,
North Yorkshire.
BD23 5HS.

AUDITORS:

Peel, Walker & Company,
11, Victoria Road,
Elland.
HX5 OAE.

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

CONTENTS

	Page
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the financial statements	5 - 7

The following pages do not form part of the statutory accounts

Trading and Profit & Loss Account and Summaries	8
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KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST OCTOBER, 1998.

The directors present their report and the financial statements for the year ended 31st October, 1998.

PRINCIPAL ACTIVITIES

The company's principal activity continued to be that of Nurserymen until the 10th November, 1997 when the nursery business was sold to Wyevale Garden Centres PLC. The company changed its' name to Kilnsey Leisure Limited on the 17th November, 1997 and is now developing holiday lettings of its' properties as it's principal activity.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>1998</u>	<u>1997</u>
D. Waite	1,250	1,250
J. Waite	2,500	2,500
H. Waite	1,250	1,250
J. Waite	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will remain in business.

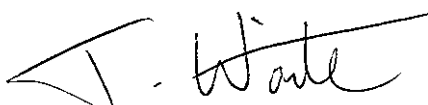
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Peel, Walker & Company, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1996 applicable to small companies, was approved by the Board on the 14th April, 1999 and signed on its' order.

J. Waite
DIRECTOR



AUDITORS' REPORT TO THE SHAREHOLDERS OF

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of 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 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 the company's affairs as at 31st October, 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



PEEL, WALKER & COMPANY,
Registered Auditors and Chartered Accountants,
11, Victoria Road,
Elland.
HX5 OAE.

15th April, 1999.

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER, 1998.

	<u>Notes</u>	<u>1998</u>	<u>1997</u> <u>As Restated</u>
TURNOVER			
Discontinued Operations	2	185,854	2,170,189
COST OF SALES		187,730	1,777,157
GROSS (LOSS)/PROFIT		(1,876)	393,032
Net Operating Expenses	(54,619)	(254,870)	
Other Operating Income	10,551	44,068	10,290 (244,580)
OPERATING (LOSS)/PROFIT	3		
Continuing Operations		2,496	2,434
Discontinued Operations		(48,440)	146,018
Profit on Sale of Assets of Discontinued Operations		547,615	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		501,671	148,452
Investment Income		49,931	29,197
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		551,602	177,649
Tax on Profit on Ordinary Activities	4	84,285	46,985
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		467,317	130,664
Dividends	5	-	36,000
RETAINED PROFIT FOR THE YEAR		<u>£ 467,317</u>	<u>£ 94,664</u>

Movements in reserves are shown in notes to the financial statements.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

The notes on pages 5 to 7 form part of these financial statements.

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

BALANCE SHEET AS AT 31ST OCTOBER, 1998.

	<u>Note</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS			
Tangible Assets	6	515,274	594,127
CURRENT ASSETS			
Stocks		-	160,633
Debtors	7	409,324	15,694
Cash at bank and in hand		658,218	540,303
		<u>1,067,542</u>	<u>716,630</u>
CREDITORS: Amounts falling due within one year	8 (<u>153,391)</u>	<u>(348,649)</u>
NET CURRENT ASSETS		<u>914,151</u>	<u>367,981</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 1,429,425</u>	<u>£ 962,108</u>
CAPITAL AND RESERVES			
Called Up Share Capital	9	5,000	5,000
Profit and Loss Account	10	1,424,425	957,108
TOTAL SHAREHOLDERS' FUNDS	11	<u>£ 1,429,425</u>	<u>£ 962,108</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on the 14th April, 1999 and signed on its behalf by:

.....
D. White

.....
T. White

Directors

The notes on pages 5 to 7 form part of these financial statements.

KILNSEY LEISURE LIMITED.

(Formerly Trading as Coley Nurseries Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER, 1998.

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	- 1% of original cost
Motor Vehicles	- 20% of original cost
Equipment	- 15% on original cost

1.4 OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2 TURNOVER

During the year the company's turnover came from sales made within the United Kingdom.

3 OPERATING PROFIT

The operating (loss)profit is stated after charging:

	<u>1998</u>	<u>1997</u>
Depreciation of tangible fixed assets		
- owned by the company	12,484	40,575
Directors' remuneration	871	87,187
Auditors' remuneration	2,400	2,224
Operating Lease Rentals - Land	-	420
Others	411	1,643
Pension Costs	24,540	24,540

During the year retirement benefits were accruing to two directors (1997 two) in respect of money purchase pension schemes.

4	TAXATION	<u>1998</u>	<u>1997</u>
	UK Current year taxation		
	UK Corporation Tax at 23.19% (1997 23.4%)	84,291	46,926
	Prior years		
	UK Corporation Tax	6	59
		<u>£ 84,285</u>	<u>£ 46,985</u>

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £Nil (1997 £1,848) due to accelerated capital allowances.

5	DIVIDENDS		
	Dividend on ordinary shares	-	<u>£ 36,000</u>

6 TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Plant and Machinery etc.</u>	<u>Total</u>
Cost			
1st November, 1997	789,834	187,296	977,130
Additions	25,420	5,253	30,673
Disposals	(293,667)	(154,852)	(448,519)
31st October, 1998	<u>£ 521,587</u>	<u>37,697</u>	<u>559,284</u>
Depreciation			
1st November, 1997	242,258	140,745	383,003
Charge for year	5,216	7,268	12,484
Disposals	(230,127)	(121,350)	(351,477)
31st October, 1998	<u>£ 17,347</u>	<u>26,663</u>	<u>44,010</u>
Net Book Amount			
31st October, 1998	<u>£ 504,240</u>	<u>11,034</u>	<u>515,274</u>
1st November, 1997	<u>£ 547,576</u>	<u>46,551</u>	<u>594,127</u>

7	DEBTORS	<u>1998</u>	<u>1997</u>
	Due after more than one year		
	Other debtors	300,000	-
	Due within one year		
	Trade debtors	-	164
	Other debtors	100,000	-
	Prepayments and accrued income	9,324	15,530
		<u>£ 409,324</u>	<u>£ 15,694</u>

Included within other debtors are the instalments due from Wyevalle Garden Centres PLC, for the balance of the sale proceeds which are payable over the next four years.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
Overdrafts	-	222
Creditors	68,306	214,044
Corporation Tax	75,291	37,926
Other taxation and social security	8,000	37,562
Accruals and deferred income	1,794	22,895
Proposed dividend	-	36,000
	<u>£ 153,391</u>	<u>£ 348,649</u>

9 SHARE CAPITAL

Authorised		
100,000 Ordinary Shares of £1 each	£ 100,000	£ 100,000
Allotted, Called Up and Fully Paid		
5,000 Ordinary Shares of £1 each	£ 5,000	£ 5,000

10 PROFIT AND LOSS ACCOUNT

Retained profit brought forward	957,108	862,444
Retained profit for the year	467,317	94,664
	<u>£ 1,424,425</u>	<u>£ 957,108</u>

11 MOVEMENT ON SHAREHOLDERS FUNDS

Profit for year	467,317	130,664
Less Dividends	-	36,000
Net additions to shareholders funds	467,317	94,664
Opening Shareholders Funds	962,108	867,444
	<u>£ 1,429,425</u>	<u>£ 962,108</u>

12 COMMITMENTS

A) Capital Commitments

At 31st October, 1998 the company had no capital expenditure commitments.

B) Pension Commitments

The company operates a defined contribution pension scheme for the benefit of certain directors. The assets of the scheme are held separately from those of the company in a fully insured fund. At the Balance Sheet date there were no unpaid contributions.