

Gillespie Leisure Limited

Directors' Report and Financial Statements

for the year ended 30 November 2002



A J Innes
Chartered Accountants

Gillespie Leisure Limited

**Directors' Report
for the year ended 30 November 2002**

The directors present their report and the financial statements for the year ended 30 November 2002.

Principal Activity and Review of the Business

The principal activities of the company are the provision of Holiday Park leisure activities, caravan sales and the provision of holiday caravanning facilities.

The company's balance sheet as detailed on page 4 shows a satisfactory position, shareholders' funds amounting to £2,721,651.

Results And Dividends

The results for the year are set out on page 3.

A dividend in respect of Preference shares in the sum of £4,800 is proposed.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2002	2001
Thomas Corrie Gillespie	1,150	1,150
Jessica Murray Thompson Gillespie	1,150	1,150
Mr Thomas Corrie Gillespie and Mrs Jessica Murray Thompson Gillespie and Mr Gavin Scott (as trustees)	2,600	2,600

Under a Trust Deed granted by Mr T C Gillespie and Mrs J M T Gillespie dated 14 November 1985 (Registered Books of Council and Session 1986) the Trustees hold 2600 Ordinary £1 shares for Mr T C Gillespie and Mrs J M T Gillespie's children.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that A J Innes be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 18 September 2003 and signed on its behalf by

Mr Thomas Corrie Gillespie
Director



Gillespie Leisure Limited**Independent Auditors' Report to the Shareholders of Gillespie Leisure Limited**

We have audited the financial statements of Gillespie Leisure Limited for the year ended 30 November 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 transactions with the company 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.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 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 financial statements give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



A J Innes Chartered Accountants

Chartered Accountants and Registered Auditor

**65 High Street
Gatehouse of Fleet
DG7 2HS**

18 September 2003

Gillespie Leisure Limited

**Profit and Loss Account
for the year ended 30 November 2002**

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	2,227,286	2,042,571
Cost of sales		(1,703,609)	(1,447,698)
Gross profit		<u>523,677</u>	<u>594,873</u>
Administrative expenses		(422,438)	(247,760)
Operating profit	3	<u>101,239</u>	<u>347,113</u>
Interest payable and similar charges	4	<u>(42,570)</u>	<u>(60,488)</u>
Profit on ordinary activities before taxation		58,669	286,625
Tax on profit on ordinary activities	7	<u>(7,452)</u>	<u>(55,679)</u>
Profit on ordinary activities after taxation		51,217	230,946
Non-equity dividends	8	<u>(4,800)</u>	<u>(4,800)</u>
Retained profit for the year		46,417	226,146
Retained profit brought forward		<u>2,475,234</u>	<u>2,249,088</u>
Retained profit carried forward		<u><u>2,521,651</u></u>	<u><u>2,475,234</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 14 form an integral part of these financial statements.

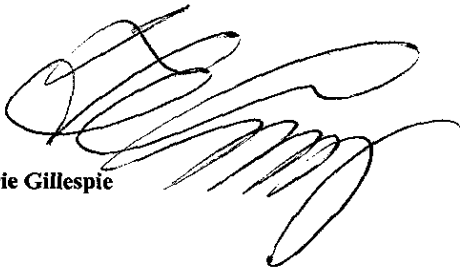
Gillespie Leisure Limited

Balance Sheet
as at 30 November 2002

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	9		1		1
Tangible assets	10		4,229,861		3,719,446
			<u>4,229,862</u>		<u>3,719,447</u>
Current Assets					
Stocks	11	167,953		180,436	
Debtors	12	210,920		160,223	
Cash at bank and in hand		4,310		2,560	
		<u>383,183</u>		<u>343,219</u>	
Creditors: amounts falling due within one year	13	(1,634,157)		(1,197,415)	
Net Current Liabilities			<u>(1,250,974)</u>		<u>(854,196)</u>
Total Assets Less Current Liabilities			2,978,888		2,865,251
Creditors: amounts falling due after more than one year	14		(98,097)		(37,997)
Provisions for Liabilities and Charges	15		<u>(159,140)</u>		<u>(152,020)</u>
Net Assets			<u>2,721,651</u>		<u>2,675,234</u>
Capital and Reserves					
Called up share capital	17		70,000		70,000
Other reserves	18		130,000		130,000
Profit and loss account	18		2,521,651		2,475,234
Equity Shareholders' Funds	19		<u>2,721,651</u>		<u>2,675,234</u>
Equity interests			2,661,651		2,615,234
Non-equity interests			<u>60,000</u>		<u>60,000</u>

The financial statements were approved by the Board on 18 September 2003 and signed on its behalf by

Thomas Corrie Gillespie
Director



The notes on pages 6 to 14 form an integral part of these financial statements.

Gillespie Leisure Limited

Cash Flow Statement
for the year ended 30 November 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		101,239	347,113
Depreciation / (Profit on sale of Fixed Assets)		95,258	15,883
(Increase) / Decrease in stocks		12,483	(82,427)
(Increase) / Decrease in debtors		(50,697)	111,521
Increase / (Decrease) in creditors		(95,841)	75,543
Net cash inflow from operating activities		<u>62,442</u>	<u>467,633</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		62,442	467,633
Returns on investments and servicing of finance	21	(47,370)	(65,288)
Taxation	21	(42,750)	(37,670)
Capital expenditure	21	(605,673)	(34,089)
		<u>(633,351)</u>	<u>330,586</u>
Financing	21	134,739	4,605
Increase / (Decrease) in cash in the year		<u>(498,612)</u>	<u>335,191</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
Increase / (Decrease) in cash in the year		(498,612)	335,191
Cash outflow from (increase) / repayment of loans and repayment of HP contracts		64,815	6,645
Change in net debt resulting from cash flows		(433,797)	341,836
New hire purchase contracts		(199,554)	(11,250)
Movement in net debt in the year		<u>(633,351)</u>	<u>330,586</u>
Net debt at 1 December 2001		<u>(771,798)</u>	<u>(1,102,384)</u>
Net debt at 30 November 2002		<u>(1,405,149)</u>	<u>(771,798)</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Intangible fixed assets

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	-	nil
Freehold land and buildings improvements	-	nil
Caravans, fixtures, fittings & equipment	-	10% reducing balance
Vehicles & machinery	-	20% reducing balance

No depreciation is required in respect of freehold property on the basis that the market value of the property at 30 November 2002 is not less than the carrying value stated in the Balance Sheet at 30 November 2002.

The Company's policy is not to adopt a revaluation policy in respect of freehold property. The company will follow the transitional provisions of FRS15 and the Brighthouse Bay Holiday Park Land will be frozen at the accounts valuation of £ 130,000 and all property acquired thereafter is shown at cost.

1.5. Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution paid by the company during the year.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

3. Operating profit	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	212,114	148,886
Auditors' remuneration	2,200	2,200
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	116,856	133,003
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2002	 2001
	£	£
On bank loans and overdrafts	37,832	57,773
Hire purchase interest & charges	4,696	2,054
Other interest	42	661
	<u> </u>	<u> </u>
	<u>42,570</u>	<u>60,488</u>
 5. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2002	2001
	Number	Number
	88	72
	<u> </u>	<u> </u>
 Employment costs	 2002	 2001
	£	£
Wages and salaries	760,043	601,385
Pension costs	52,000	52,000
	<u> </u>	<u> </u>
	<u>812,043</u>	<u>653,385</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

5.1. Directors' emoluments

	2002	2001
	£	£
Remuneration and other emoluments	80,000	60,428
Pension contributions	52,000	52,000
	<u>132,000</u>	<u>112,428</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	2

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £52,000 (2001 - £52,000).

7. Taxation	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax	332	42,750
Transfer to deferred taxation	7,120	4,820
	<u>7,452</u>	<u>47,570</u>
Prior years		
UK Corporation Tax	-	8,109
	<u>7,452</u>	<u>55,679</u>

8. Dividends	2002	2001
	£	£
Dividends on non-equity shares:		
Preference shares - Final proposed	<u>4,800</u>	<u>4,800</u>
Aggregate final proposed preference share dividend	<u>4,800</u>	<u>4,800</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

9. Intangible fixed assets

	Goodwill	Total
	£	£
At 1 December 2001 and at 30 November 2002	1	1
Net book values		
At 30 November 2002	1	1
At 30 November 2001	1	1

10. Tangible fixed assets

	Land and buildings freehold	Land and buildings improvements freehold	Caravans Equipment and Vehicles	Total
	£	£	£	£
Cost				
At 1 December 2001	1,893,599	617,933	1,994,905	4,506,437
Additions	-	39,446	771,416	810,862
Disposals	-	-	(130,805)	(130,805)
At 30 November 2002	1,893,599	657,379	2,635,516	5,186,494
Depreciation				
At 1 December 2001	-	-	786,991	786,991
On disposals	-	-	(42,472)	(42,472)
Charge for the year	-	-	212,114	212,114
At 30 November 2002	-	-	956,633	956,633
Net book values				
At 30 November 2002	1,893,599	657,379	1,678,883	4,229,861
At 30 November 2001	1,893,599	617,933	1,207,914	3,719,446

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

11. Stocks	2002 £	2001 £
Barlochan Shop	-	1,119
Sandyhills Shop	1,507	2,130
Seaward Shop	1,019	1,137
Brighthouse Bay Shop	11,225	9,792
Caravans and Chalets for Resale	142,586	159,160
Lesiure Club	11,616	7,098
	<u>167,953</u>	<u>180,436</u>
12. Debtors	2002 £	2001 £
Trade debtors	193,232	160,223
Other debtors	9,573	-
Prepayments and accrued income	8,115	-
	<u>210,920</u>	<u>160,223</u>
13. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	1,197,433	697,071
Repayable Grant	-	25,422
Net obligations under finance leases and hire purchase contracts	113,929	13,868
Trade creditors	188,677	289,334
Corporation tax	332	42,750
Other taxes and social security costs	15,716	27,864
Directors' loan accounts	81,910	73,560
Other creditors	16,561	8,987
Accruals and deferred income	14,799	13,759
Proposed dividend	4,800	4,800
	<u>1,634,157</u>	<u>1,197,415</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

14.	Creditors: amounts falling due after more than one year	2002 £	2001 £
	Other loans	26,800	24,000
	Net obligations under finance leases and hire purchase contracts	71,297	13,997
		<u>98,097</u>	<u>37,997</u>
	Net obligations under finance leases and hire purchase contracts		
	Repayable within one year	(113,929)	(13,868)
	Repayable between one and five years	(71,297)	(13,997)
		<u>(185,226)</u>	<u>(27,865)</u>
15	Provisions for liabilities and charges		
		Deferred Taxation (Note 16) £	Total £
	Charge for the year	7,120	7,120

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

16. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	Provided	
	2002	2001
	£	£
Accelerated capital allowances	159,140	152,020
	<u>159,140</u>	<u>152,020</u>

Movements on the provision for deferred taxation are:

	2002	2001
	£	£
At 1 December 2001	152,020	147,200
Transferred from profit and loss account	7,120	4,820
	<u>159,140</u>	<u>152,020</u>
At 30 November 2002	<u>159,140</u>	<u>152,020</u>

17. Share capital

Allotted, called up and fully paid
10,000 Ordinary shares of £1 each
60,000 Preference shares of £1 each

	2002	2001
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000
60,000 Preference shares of £1 each	60,000	60,000
	<u>70,000</u>	<u>70,000</u>
Equity interest	10,000	10,000
Non-equity interest	60,000	60,000
	<u>70,000</u>	<u>70,000</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

18. Equity Reserves

	Profit and loss account	Capital reserve	Total
	£	£	£
At 1 December 2001	2,475,234	130,000	2,605,234
Retained profit for the year	46,417		46,417
At 30 November 2002	<u>2,521,651</u>	<u>130,000</u>	<u>2,651,651</u>

19. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the year	51,217	230,946
Dividends	(4,800)	(4,800)
	<u>46,417</u>	<u>226,146</u>
Opening shareholders' funds	2,675,234	2,449,088
	<u>2,721,651</u>	<u>2,675,234</u>

20. Related party transactions

	2002	2001
	£	£
Income		
Graplin Farms	<u>30,800</u>	<u>40,700</u>
Expenses		
Graplin Farms	<u>16,852</u>	<u>16,852</u>
D J Gillespie & Son	<u>65,500</u>	<u>53,085</u>

**Notes to the Financial Statements
for the year ended 30 November 2002**

..... continued

21. Gross Cash Flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest paid	(42,570)	(60,488)
Preference dividends paid	(4,800)	(4,800)
	<u>(47,370)</u>	<u>(65,288)</u>
Taxation		
Corporation tax paid	(42,750)	(37,670)
	<u>(42,750)</u>	<u>(37,670)</u>
Capital expenditure		
Payments to acquire tangible assets	(810,862)	(317,673)
Receipts from sales of tangible assets	205,189	283,584
	<u>(605,673)</u>	<u>(34,089)</u>
Financing		
Capital element of new hire purchase contracts	199,554	11,250
Other loan advances	2,800	4,800
Repayable Grant repayments	(25,422)	-
Capital repayments of hire purchase contracts	(42,193)	(11,445)
	<u>134,739</u>	<u>4,605</u>

22. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	2,560	1,750	4,310
Overdrafts	(697,071)	(500,362)	(1,197,433)
	<u>(694,511)</u>	<u>(498,612)</u>	<u>(1,193,123)</u>
Repayable grant due	(25,422)	25,422	-
Other loan due	(24,000)	(2,800)	(26,800)
Hire purchase contracts due	(27,865)	(157,361)	(185,226)
	<u>(77,287)</u>	<u>(134,739)</u>	<u>(212,026)</u>
Net debt	<u>(771,798)</u>	<u>(633,351)</u>	<u>(1,405,149)</u>