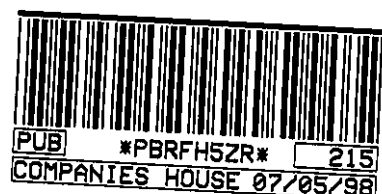


**CSMA LEISURE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 1997**



## **CSMA LEISURE LIMITED**

### **Report of the Directors**

The Directors submit their report and the audited financial statements for the year ended 31st December 1997.

### **Principal Activities**

The principal activity of the Company throughout the year was the management of leisure properties owned by its Parent Company, CSMA Services Limited.

### **Review of the Business**

The Company continued to trade during the year as an operator of leisure properties owned by CSMA Services Limited. The Directors are pleased to note a result much in line with expectations, reflecting the improvements made to the properties and resultant increases in occupancy.

The results for the year are shown in the Profit & Loss Account on page 4 of the attached Financial Statements.

### **Results and Dividends**

The profit for the year amounted to £20,986. The Directors recommend this amount be credited to the losses brought forward.

The Directors do not recommend the payment of a dividend.

### **Directors**

The Directors, who served during the year, none of whom had any beneficial interest in the share capital of the company, were as follows:

B J Cheater	
M G Hunter	(Chairman)
J E Kenyon	
M J Sayer	

## **CSMA LEISURE LIMITED**

### **Report of the Directors - continued**

#### **Responsibilities of the Directors**

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 those financial statements, the Directors are required to:

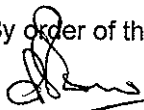
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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**

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

By order of the Board



C P Skinner - Secretary  
Britannia House  
21 Station Street  
Brighton BN1 4DE

13th March 1998

## REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

### CSMA LEISURE LIMITED

We have audited the financial statements on Pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### **Respective responsibilities of directors and auditors**

As described on page 2, the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Moore Stephens*

MOORE STEPHENS  
Registered Auditor  
Chartered Accountants

Pride Hill House  
23 St. Mary's Street  
Shrewsbury  
Shropshire SY1 1ED

*6<sup>th</sup> April, 1998*

**CSMA LEISURE LIMITED**

**PROFIT & LOSS ACCOUNT**

**FOR THE YEAR ENDED 31st DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> Continuing activities £	<u>1996</u> £
Turnover	1(b)	1,080,028	961,484
Cost of sales		(260,771)	(248,875)
Gross profit		819,257	712,609
Administration expenses		(789,012)	(740,592)
Operating profit / (loss)	2	30,245	(27,983)
Investment income	4	268	1,354
Profit / (loss) on ordinary activities before taxation		30,513	(26,629)
Taxation	5	(9,527)	6,190
Retained profit / (loss) for the financial year		20,986	(20,439)

**Summary of Profit & Loss Account**

At 1st January 1997	(109,709)	(89,270)
Retained profit / (loss) for the financial year	20,986	(20,439)
At 31st December 1997	(88,723)	(109,709)

There are no gains or losses other than those dealt with in the profit & loss account.  
There is no difference between the historical cost profit and that reported above.

**CSMA LEISURE LIMITED**

**BALANCE SHEET AT 31st DECEMBER 1997**

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<b>CURRENT ASSETS</b>			
Stock	6	24,716	24,082
Debtors	7	63,960	73,637
Cash at bank and in hand		37,063	29,920
		<hr/>	<hr/>
		125,739	127,639
<b>CREDITORS:</b>			
Amounts falling due within one year	8	(125,158)	(106,277)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		581	21,362
<b>CREDITORS:</b>			
Amounts falling due after more than one year	9	(89,204)	(130,971)
		<hr/>	<hr/>
		(88,623)	(109,609)
		<hr/>	<hr/>
<b>CAPITAL &amp; RESERVES</b>			
Called up equity share capital	10	100	100
Profit & loss account		(88,723)	(109,709)
		<hr/>	<hr/>
Equity shareholders funds	11	(88,623)	(109,609)
		<hr/>	<hr/>

These financial statements were approved by the Board on 13th March 1998 and signed on their behalf by:



M G Hunter  
Director

**CSMA LEISURE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997**

**NOTES**

**1. PRINCIPAL ACCOUNTING POLICIES**

(a) Basis of accounting.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover of the Company is the invoiced value of goods and services supplied less credits allowed, excluding value added tax.

(c) Stock

Stocks are stated at the lower of cost or net realisable value.

(d) Continuing operations

None of the company's activities were discontinued during the year.

(e) Cash flow statement

The company is exempted from preparing a cash flow statement on the grounds that it qualifies as a small company.

**2. OPERATING PROFIT**

	<b><u>1997</u></b>	<b><u>1996</u></b>
	£	£
Operating profit is stated after charging:		
Auditors' remuneration - audit services	3,405	3,300
- other fees	1,000	-
	=====	=====

**CSMA LEISURE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997**

**NOTES** (continued)

**3. DIRECTORS AND EMPLOYEES**

	<u>1997</u>	<u>1996</u>
Directors' emoluments:	£	£
None of the Directors received any emoluments from the company during the year.		
Staff costs :		
Staff costs during the year were as follows	£	£
Wages and salaries	360,275	335,478
Social security costs	25,563	23,124
	-----	-----
	385,838	358,602
	=====	=====
The average number of persons employed by the Company during the year was:		
	<u>number</u>	<u>number</u>
Sales and administration	<u>47</u>	<u>46</u>

**4. INVESTMENT INCOME**

	<u>1997</u>	<u>1996</u>
	£	£
Current asset investments	268	1,354
	=====	=====

**5. TAXATION ON ORDINARY ACTIVITIES**

	<u>1997</u>	<u>1996</u>
	£	£
United Kingdom corporation tax based on the taxable profit for the year at 31.5% (1996 - 33%)	9,527	-
Group relief receivable	-	(6,190)
	-----	-----
	9,527	(6,190)
	=====	=====



**CSMA LEISURE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997**

**NOTES** (continued)

<b>6. STOCKS</b>	<b><u>1997</u></b> £	<b><u>1996</u></b> £
Goods for resale	5,531	4,965
Raw materials and consumables	19,185	19,117
	-----	-----
	24,716	24,082
	=====	=====
 <b>7. DEBTORS</b>	 <b><u>1997</u></b> £	 <b><u>1996</u></b> £
Amounts falling due within one year:		
Trade debtors	46,367	54,871
Prepayments and accrued income	17,593	18,766
	-----	-----
	63,960	73,637
	=====	=====
 <b>8. CREDITORS</b>	 <b><u>1997</u></b> £	 <b><u>1996</u></b> £
Amounts falling due within one year:		
Trade creditors	66,785	61,793
Corporation tax	9,527	-
Other taxation and social security	11,708	11,624
Other creditors	4,260	6,218
Accruals and deferred income	32,878	26,642
	-----	-----
	125,158	106,277
	=====	=====
 <b>9. CREDITORS</b>	 <b><u>1997</u></b> £	 <b><u>1996</u></b> £
Amounts falling due after more than one year, not repayable by instalments, and falling due for repayment between two and five years from the balance sheet date:		
Amounts owed to group undertakings	89,204	130,971
	=====	=====

**CSMA LEISURE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997**

**NOTES**      (continued)

<b>10. EQUITY SHARE CAPITAL</b>	<b><u>1997</u></b>	<b><u>1996</u></b>
Authorised		
100 Ordinary Equity Shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, called up and fully paid		
100 Ordinary Equity Shares of £1 each	<u>£100</u>	<u>£100</u>
<b>11. MOVEMENT IN EQUITY SHAREHOLDERS FUNDS</b>	<b><u>1997</u></b>	<b><u>1996</u></b>
	<u>£</u>	<u>£</u>
At 1st January 1997	(109,709)	(89,270)
Profit / (loss) for the financial year	20,986	(20,439)
	<hr/>	<hr/>
At 31st December 1997	<u>(88,723)</u>	<u>(109,709)</u>
	<u>=====</u>	<u>=====</u>
<b>12. ULTIMATE PARENT COMPANY</b>		

The ultimate parent company of CSMA Leisure Limited is the Civil Service Motoring Association Limited, incorporated in England.

Copies of the financial statements of the Civil Service Motoring Association Limited for the year ended 31st December 1997 can be obtained from the registered office.