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TRIAD PROPERTIES LIMITED

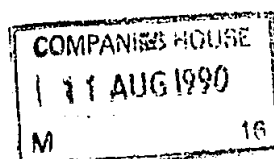
ANNUAL ACCOUNTS

31 MARCH 1989

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KINGSCOTT, DIX & CO.
CHARTERED ACCOUNTANTS
MARKET SQUARE
NEWENT
GLOS.



TRIAD PROPERTIES LIMITED

DIRECTORS

Bryan Dowler
Yoshisuke Kasai

SECRETARY

Walgate Services Limited

REGISTERED OFFICE

9 Queen Anne Street
London
W1M 0BQ

BANKERS

Barclays Bank Plc
17/18 Agincourt Square
Monmouth
Gwent

National Westminster Bank Plc
PO Box No. 238
32 Corn Street
Bristol

AUDITORS

Messrs Kingscott, Dix & Co.
Chartered Accountants
Market Square
Newent
Glos.

REGISTERED IN GREAT BRITAIN NO. 2039828

TRIAD PROPERTIES LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the year ended 31 March 1989

ACTIVITIES

The Company continues in business as a Golf Club providing golfing and catering services.

FINANCIAL MATTERS

The results for the year are given in the profit and loss account on page 4.

The directors do not recommend a payment of any dividend (Nil 1988).

FIXED ASSETS

Information relating to changes in fixed assets is given in note 7 to the financial statements.

In the opinion of the directors, the market value of the land and buildings is not less than the book value.

DIRECTORS

The directors who served during the year [together with those subsequently appointed] are as follows:

Mr L R Neal	(resigned 1 August 1988)
Mr A W Fisher	(resigned 1 August 1988)
Mr R C McCulloch	(resigned 1 August 1988)
Mr A R Webber	(resigned 1 August 1988)
Brian Dowler	(Appointed 1 August 1988)
Yoshisuke Kasai	(Appointed 1 August 1988)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions or charitable donations during the year.

AUDITORS

The auditors, Kingscott, Dix & Co., are willing to continue in office and a resolution concerning their re-appointment and remuneration will be submitted to the annual general meeting.

By Order of the Board

Walgate Services Limited

SECRETARY

KINGSCOTT DIX & COMPANY.

CHARTERED ACCOUNTANTS

Market Square, Newent, Gloucestershire GL18 1PS
Telephone Newent 821410/820325 or Gloucester 20251

AUDITORS' REPORT TO THE MEMBERS OF

TRIAD PROPERTIES LIMITED

We have audited the financial statements on pages 2 to 10 in accordance with Auditing Standards except that the scope of our work was limited by the matter referred to below.

£263,325 of the company's recorded turnover comprises cash taken at the bar or shop. There was no system of control over such sales on which we could rely for the purpose of our audit and there were no satisfactory audit procedures that we could adopt to confirm independently that all cash sales were properly recorded. In addition no physical stock count quantities were taken at the year end.

In these respects we were unable to satisfy ourselves as to the completeness and accuracy of the accounting records.

Subject to any adjustments that we might have found to be necessary had we been able to satisfy ourselves as to the matters referred to above. In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KINGSCOTT, DIX & CO.
CHARTERED ACCOUNTANTS

13 JUNE 1990

TRIAD PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 1989

	NOTE	1989 £	1988 £
TURNOVER	2	317157	136876
Cost of Sales		<u>84527</u>	<u>33821</u>
GROSS PROFIT		232630	103055
Operating and Administrative Expenses		(287683)	(172538)
Other interest receivable	4	-	45
Interest payable and similar charges	5	<u>(74481)</u>	<u>(119092)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(129534)	(188530)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(129534)	(188530)
Retained Loss brought forward		<u>(188530)</u>	<u>-</u>
LOSS CARRIED FORWARD		<u>(318064)</u>	<u>(188530)</u>

The notes on pages 6 to 9 form part of these financial statements.

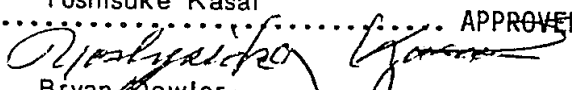

TRIAD PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 1989

	NOTE	£	1989 £	£	1988 £
FIXED ASSETS	7		1,687,777		1,657,050
CURRENT ASSETS					
Stocks	8	12,511		8,525	
Debtors	9	7,917		97	
Cash at Bank and in Hand		16,750		311	
		<u>37,178</u>		<u>8,933</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	21,943		174,035	
NET CURRENT ASSETS			<u>15,235</u>		<u>165,102</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,703,012		1,491,948
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		1,571,076		1,230,478
			<u>131,936</u>		<u>261,470</u>
CAPITAL AND RESERVES					
Called up Share Capital	14		450,000		450,000
Profit and Loss Account			318,064		188,530
			<u>131,936</u>		<u>261,470</u>

The notes on pages 6 to 9 form part of these financial statements.

Yoshisuke Kasai
 APPROVED BY

 Bryan Dowler
 THE DIRECTORS

 13 June 1990
 DATE

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Depreciation and amortisation

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold Buildings	- Nil
Plant and Machinery	- 4 Years
Fixtures and Fittings	- 5 years
Golf Course Construction	- 10 years

No depreciation is provided on freehold land.

(c) Leases

Where the company enters into a hire purchase contract the asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such contracts, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligation for future instalments.

All other leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

(d) Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used.

(e) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

TRIAD PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

31 MARCH 1989

2. TURNOVER

Turnover represents the amounts receivable for subscriptions, goods and services supplied to members and visitors to the club.

3. STAFF NUMBERS AND COSTS

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

1989	1988
20	10
<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	1989 £	1988 £
Wages and salaries	127,625	61,789
Social Security costs	11,461	5,557
	<u>139,086</u>	<u>67,346</u>

4. OTHER INTEREST RECEIVABLE

	1989 £	1988 £
Income from short-term deposits	-	45
	<u>-</u>	<u>45</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1989 £	1988 £
Interest on bank loans, overdrafts and other loans repayable within five years	74,356	118,677
Interest on hire purchase	125	415
	<u>74,481</u>	<u>119,092</u>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1989 £	1988 £
The loss on ordinary activities before taxation is stated after charging:		
Directors' remuneration	-	-
Depreciation of tangible fixed assets	25,145	10,760
Auditors' remuneration	6,025	1,500

TRIAD PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)
31 MARCH 1989

7. FIXED ASSETS

COST	Total £	Freehold Land and Buildings £	Course Construc- tion £	Plant and Machinery £	Furniture Fittings and Equipment £
As at 1 April 1988	1,667,810	1,598,455	15,023	52,047	2,285
Additions	66,782	11,201	2,759	41,222	11,600
Disposals	(10,910)	-	-	(10,910)	-
As at 31 March 1989	1,723,682	1,609,656	17,782	82,359	13,885
DEPRECIATION					
As at 1 April 1988	10,760	-	1,033	9,460	267
Charge	25,145	-	1,778	20,590	2,777
As at 31 March 1989	35,905	-	2,811	30,050	3,044
NET BOOK VALUE					
As at 31 March 1989	1,687,777	1,609,656	14,971	52,309	10,841
As at 31 March 1988	1,657,050	1,598,455	13,990	42,587	2,018

8. STOCKS

	1989 £	1988 £
Consumables and goods for resale	12,511	8,525
	<u>12,511</u>	<u>8,525</u>

9. DEBTORS

	1989 £	1988 £
Prepayments	7,917	-
Called up share capital not paid	-	97
	<u>7,917</u>	<u>97</u>

31 MARCH 1989

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1989 £	1988 £
Bank loans and overdrafts	340	128,259
Obligations under hire purchase	-	6,575
Trade creditors	3,148	7,792
Other tax and social security	7,922	15,583
Other creditors	9,858	3,001
Accruals and deferred income	675	12,825
	<u>21,943</u>	<u>174,035</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1989 £	1988 £
Bank Loan	-	1,230,478
Amounts Due to Holding Company	1,571,076	-
	<u>1,571,076</u>	<u>1,230,478</u>

12. HOLDING COMPANY

The company is a wholly owned subsidiary of Ockley Ltd. a company incorporated in Hong Kong. The ultimate Holding Company is Sanyo Oil Company Limited.

13. PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAX

No provision is made for timing differences arising from accelerated capital allowances because of tax losses arising in the period.

No provision is made for the Capital Gains Tax consequences of the sale of the land and property.

14. SHARE CAPITAL

	1989 £	1988 £
AUTHORISED		
Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>
SHARE CAPITAL ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

SOURCE AND APPLICATION OF FUNDS
31 MARCH 1989

	1989	1988
	£	£
OPENING BANK AND CASH BALANCES	(127,948)	-
SOURCE OF FUNDS		
Loss on ordinary activities before taxation	(129,534)	(188,530)
Items not involving the movement of funds:-		
Depreciation	25,145	10,760
	(104,389)	(177,770)
	(232,337)	(177,770)
OTHER SOURCES		
Proceeds of Issue of Share Capital	-	450,000
Bank Loan Received	-	1,230,478
Proceeds of Disposal of Tangible Fixed Assets	10,910	4,402
	10,910	1,684,880
	(221,427)	1,507,110
APPLICATION OF FUNDS		
Purchase of Tangible Fixed Assets	66,782	1,672,212
	(288,209)	(165,102)
MOVEMENT IN WORKING CAPITAL		
Increase in Stocks	(3,986)	(8,525)
Increase in Debtors	(7,820)	(97)
Increase in Creditors	316,425	45,776
	304,619	37,154
CLOSING BANK AND CASH BALANCES	16,410	(127,948)