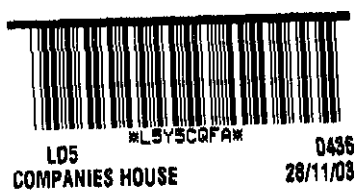


**ASPECT GOLF AND LEISURE  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2003



Company no 2100925

**ASPECT GOLF AND LEISURE LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 January 2003

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Company registration number: 2100925

Registered office: Aspect Park Golf Club  
Remenham Hill  
Henley on Thames  
Oxfordshire  
RG9 3EH

Directors: T Ziffo  
A Jassal  
S Seretis  
T M Winsland

Secretary: A Jassal

Bankers: Barclays Bank Plc  
Barclays Business Centre  
PO Box No 544  
54 Lombard Street  
London  
EC3V 9EX

Solicitors: Lewis Silkin  
12 Gough Square  
London  
EC4A 3DW

Auditors: Grant Thornton  
Chartered Accountants  
Churchill House  
Chalvey Road East  
Slough  
Berkshire  
SL1 2LS

**ASPECT GOLF AND LEISURE LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 January 2003

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## ASPECT GOLF AND LEISURE LIMITED

### REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the year ended 31 January 2003.

#### Principal activities

The company is principally engaged in the management of a golf course and driving range.

#### Business review

There was a loss for the year after taxation amounting to £71,289 (2002: loss £191,410). The directors do not recommend payment of a dividend and the loss has therefore been set against reserves.

#### Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 31 January 2003 and 1 February 2002 were as follows:

	31 January 2003	1 February 2002
T Ziffo	-	-
A Jassal	-	-
S Seretis	-	-
T M Winsland	-	6

No director had, during or at the end of the year, any material interest in a contract which was significant in relation to the company's business, except as disclosed in note 17.

#### Directors' responsibilities for the financial statements

Company law in the United Kingdom 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ASPECT GOLF AND LEISURE LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'A. E. Jan', with a long horizontal stroke extending to the right.

Director

27th November 2003

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASPECT GOLF AND LEISURE LIMITED**

We have audited the financial statements of Aspect Golf and Leisure Limited for the year ended 31 January 2003 which comprise the principal accounting policies, profit and loss account, the balance sheet, and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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.

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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

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 directors' 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of 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.

### **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in the accounting policies section of the financial statements concerning the expiry of bank facilities and its impact on the company's ability to meet its obligations as they fall due, and also the support of the major shareholder. In view of the significance of this uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ASPECT GOLF AND LEISURE LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*G. Thornton*

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON THAMES VALLEY OFFICE  
SLOUGH**

*28 November 2003*

## **ASPECT GOLF AND LEISURE LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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

The financial statements are prepared on a going concern basis, despite the company ending the year with net current liabilities of £1,212,371. The directors believe this to be appropriate for the following reasons:

- Although the bank borrowings are due for repayment within one year of signing the financial statements, the directors are confident that banking facilities will be successfully renegotiated later in 2003.
- The directors are confident that the impairment loss of £239,593 (incurred in the year to 31 January 2001) will reverse in the future.
- Golf and Leisure Holdings Limited, the parent undertaking, has confirmed that it will provide support as required for at least 12 months from the date of signature of these financial statements.

The financial statements do not include any adjustments that might arise as a result of the company not being able to meet its liabilities as they fall due.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

#### **TURNOVER**

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT. Membership subscriptions are apportioned on a straight line basis across the period to which they relate. Amounts received in advance are included within deferred income.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated on the reducing balance method and aims to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rate applicable for plant and machinery is 25%.

No depreciation is provided on freehold property as the useful economic lives of these assets are of such length (and the residual values are not materially different from the carrying amount) that any depreciation would not be material. Residual values are prices prevailing at the date of the last valuation. The value is reviewed annually in accordance with the requirements of Financial Reporting Standard 15, and any diminution in value is provided for in the profit and loss account.

#### **STOCK**

Stock is stated at the lower of cost or net realisable value.

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge (calculated on a straight line basis).

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.



**ASPECT GOLF AND LEISURE LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 January 2003

	Note	2003 £	2002 £
<b>Turnover</b>	1	545,426	522,530
Cost of sales		(103,763)	(102,950)
Gross profit		441,663	419,580
Administrative expenses		(464,367)	(528,578)
Other operating income		7,309	2,547
<b>Operating loss</b>		(15,395)	(106,451)
Interest payable and similar charges	2	(55,894)	(84,959)
<b>Loss on ordinary activities before and after taxation</b>	1	(71,289)	(191,410)

There were no recognised gains or losses other than the loss for the financial year.

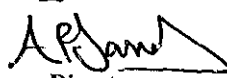
The accompanying accounting policies and notes form an integral part of these financial statements.

# ASPECT GOLF AND LEISURE LIMITED

## BALANCE SHEET AT 31 JANUARY 2003

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	6	1,598,884	1,582,569
<b>Current assets</b>			
Stock	7	3,661	3,556
Debtors	8	16,119	17,013
Cash at bank and in hand		2,828	844
		<u>22,608</u>	<u>21,413</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,234,979)</u>	<u>(1,177,361)</u>
<b>Net current liabilities</b>		<u>(1,212,371)</u>	<u>(1,155,948)</u>
<b>Total assets less current liabilities</b>		386,513	426,621
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(115,829)</u>	<u>(84,648)</u>
		<u>270,684</u>	<u>341,973</u>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Share premium account	12	1,474,954	1,474,954
Profit and loss account	12	<u>(1,204,320)</u>	<u>(1,133,031)</u>
<b>Shareholders' funds</b>	13	<u>270,684</u>	<u>341,973</u>

The financial statements were approved by the Board of Directors on

27<sup>th</sup> November 2003  
  
 Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2003

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to one activity, which is carried out in a single geographical market.

The loss on ordinary activities is stated after:

	2003 £	2002 £
Auditors' remuneration	7,000	8,000
Depreciation of owned tangible fixed assets	15,683	14,436
Tangible fixed assets, held under finance leases and hire purchase contracts	7,609	4,895
Other operating lease rentals	13,549	17,500
Other operating income includes:		
Insurance claim	7,309	2,547

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
On bank loans and overdrafts	54,031	82,157
Finance charges in respect of finance leases	1,863	2,802
	55,894	84,959

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	218,014	256,288
Social security costs	22,000	22,738
	240,014	279,026

The average number of employees of the company during the year was 18 (2002: 14).

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Emoluments	10,794	32,700
Compensation for loss of office	-	14,750
	10,794	47,450

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2003

### 4 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of approximately £878,000 (2002: £807,000) remain available to offset against future taxable trading profits.

### 5 FACTORS AFFECTING TAX CHARGES FOR THE PERIOD

The tax assessed for the period is different to the standard rate of corporation tax in the United Kingdom of 19% (2002: 20%). The differences are explained as follows:

	2003 £	2002 £
Loss on ordinary activities before tax	(71,289)	(191,410)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30%	(21,387)	(57,423)
Effect of:		
Accumulation of tax losses	21,387	57,423
	-	-

### 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Freehold property improve- ments £	Plant and machinery £	Total £
Cost or valuation				
At 1 February 2002	499,890	1,253,797	245,919	1,999,606
Additions	-	5,705	33,902	39,607
At 31 January 2003	499,890	1,259,502	279,821	2,039,213
Depreciation				
At 1 February 2002	-	239,593	177,444	417,037
Provided in the year	-	-	23,292	23,292
At 31 January 2003	-	239,593	200,736	440,329
Net book amount at 31 January 2003	499,890	1,019,909	79,085	1,598,884
Net book amount at 31 January 2002	499,890	1,014,204	68,475	1,582,569

**ASPECT GOLF AND LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2003

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £
Net book amount at 31 January 2003	<u>34,074</u>
Net book amount at 31 January 2002	<u>14,685</u>
Depreciation provided during year	<u>7,609</u>

**7 STOCK**

	2003 £	2002 £
Finished goods and goods for resale	<u>3,661</u>	<u>3,556</u>

**8 DEBTORS**

	2003 £	2002 £
Trade debtors	7,875	13,205
Other debtors	2,100	752
Prepayments and accrued income	6,144	3,056
	<u>16,119</u>	<u>17,013</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans, overdrafts and shareholder loans	980,562	887,095
Trade creditors	29,042	29,096
Social security and other taxes	31,771	19,616
Other creditors	117	4,931
Accruals and deferred income	184,283	230,985
Amounts due under finance leases	9,204	5,638
	<u>1,234,979</u>	<u>1,177,361</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all of the company's assets.

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2003

### 10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Debenture loans	30,000	30,000
Bank and shareholder loans	72,121	48,821
Amounts due under finance leases	13,708	5,827
	<u>115,829</u>	<u>84,648</u>

Debenture loans

No debentures were issued during the period. All of the debentures are redeemable at par at the end of their loan periods. No interest is charged on the loans.

Borrowings are repayable as follows:

	2003 £	2002 £
Within one year		
Bank and shareholders' loans	980,562	887,095
Finance leases	9,204	5,638
After one and within two years		
Bank and shareholders' loans	23,300	-
Finance leases	6,624	5,827
After two and within five years		
Bank and shareholders' loans	78,821	78,821
Finance leases	7,084	-
	<u>1,105,595</u>	<u>977,381</u>

### 11 SHARE CAPITAL

	2003 £	2002 £
Authorised		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted, called up and fully paid		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>

#### Share Classification

The authorised share capital comprises 40 'A' and 10 'B' ordinary £1 shares, all of which have been allotted, called up and fully paid. The 'A' and 'B' shares rank pari passu in all respects and merely constitute separate classes of shares.

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2003

### 12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 February 2002	1,474,954	(1,133,031)
Retained loss for the year	-	(71,289)
At 31 January 2003	<u>1,474,954</u>	<u>(1,204,320)</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year	(71,289)	(191,410)
Issue of shares	-	805,000
Shareholders' funds at 1 February 2002	<u>341,973</u>	<u>(271,617)</u>
Shareholders' funds at 31 January 2003	<u>270,684</u>	<u>341,973</u>

### 14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 January 2003 or 31 January 2002.

### 15 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 January 2003 or 31 January 2002.

### 16 LEASING COMMITMENTS

Operating lease payments in respect of land and buildings amounting to £13,549 (2002: £17,500) are due within one year. The leases to which these amounts relate expire as follows:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
In five years or more	<u>13,549</u>	<u>-</u>	<u>17,500</u>	<u>-</u>

## **ASPECT GOLF AND LEISURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2003

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#### **17 ULTIMATE PARENT AND CONTROLLING UNDERTAKING**

The directors consider that the ultimate parent undertaking of this company is its parent company Golf and Leisure Holdings Limited, which is incorporated in Guernsey.

The directors also consider that Golf and Leisure Holdings Limited is the controlling, and ultimate controlling party of this company.

#### **18 RELATED PARTY TRANSACTIONS**

A summary of related party transactions follows:

The balance on the directors' current account at the year end was £2,100 (2002: £4,931).

Golf and Leisure Holdings Limited, the controlling shareholder of Aspect Golf and Leisure Limited, have previously provided an interest-free £48,821 (2002: £48,821) loan, net of arrangement costs, included in note 10. A further interest-free loan of £23,300 was provided during the year by Golf and Leisure Holdings Limited, which is also reflected in note 10.