

**ASPECT GOLF AND LEISURE
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2004



A49
COMPANIES HOUSE
Company no 2100925

AG17PT5L

0495
05/08/04

ASPECT GOLF AND LEISURE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2004

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 2004

INDEX	PAGE
Report of the directors	1 - 2
Report of the independent auditors	3 - 4
Principal accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

ASPECT GOLF AND LEISURE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 January 2004.

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 £71,238 (2003: loss £71,289). The directors do not recommend payment of a dividend and the loss has therefore been set against reserves.

Post balance sheet event

The company's parent company Golf and Leisure Holdings Limited has agreed to sell its shareholding in the company to Park Place Estates LLP on 27 February 2004.

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 2004 and 1 February 2003 were as follows:

	31 January 2004	1 February 2003
T Ziffo	-	-
A Jassal	-	-
S Seretis	-	-
T M Winsland	-	-

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.

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

Auditors

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

ON BEHALF OF THE BOARD



Director

26/2/04

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 2004 which comprise the principal accounting policies, profit and loss account, the balance sheet, and notes 1 to 19. 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. However, the evidence available to us is limited because we do not have access to the financial position of Park Place Estates LLP, who are due to acquire the company on 27 February 2004.

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

Due to the lack of availability of information relating to the financial position of Park Pace Estates LLP, the company's parent undertaking from 27 February 2004, we are unable to determine whether the going concern basis of preparation for the financial statements is appropriate.

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the company as at 31 January 2004, or of the loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

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

27 February 2004

ASPECT GOLF AND LEISURE LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 £1,284,111. The directors believe this to be appropriate because the bank loans will be settled by 27 February 2004 and replaced by loans from Park Place Estates LLP, who has agreed to purchase the entire share capital of the company on 27 February 2004. However, the current directors of the company cannot be certain of the intention and ability of Park Place Estates LLP to provide the necessary financial support that the company requires.

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 2004

	Note	2004 £	2003 £
Turnover	1	554,254	545,426
Cost of sales		(108,037)	(103,763)
Gross profit		446,217	441,663
Administrative expenses		(477,547)	(464,367)
Other operating income		6,035	7,309
Operating loss		(25,295)	(15,395)
Interest payable and similar charges	2	(45,943)	(55,894)
Loss on ordinary activities before and after taxation	1	(71,238)	(71,289)

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 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	6	1,591,637	1,598,884
Current assets			
Stock	7	3,988	3,661
Debtors	8	33,221	16,119
Cash at bank and in hand		3,053	2,828
		<u>40,262</u>	<u>22,608</u>
Creditors: amounts falling due within one year	9	<u>(1,324,373)</u>	<u>(1,234,979)</u>
Net current liabilities		<u>(1,284,111)</u>	<u>(1,212,371)</u>
Total assets less current liabilities		<u>307,526</u>	<u>386,513</u>
Creditors: amounts falling due after more than one year	10	<u>(108,080)</u>	<u>(115,829)</u>
		<u>199,446</u>	<u>270,684</u>
Capital and reserves			
Called up share capital	11	50	50
Share premium account	12	1,474,954	1,474,954
Profit and loss account	12	(1,275,558)	(1,204,320)
Shareholders' funds	13	<u>199,446</u>	<u>270,684</u>

The financial statements were approved by the Board of Directors on 26TH FEBRUARY 2004



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 2004

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:

	2004 £	2003 £
Auditors' remuneration	7,200	7,000
Depreciation of owned tangible fixed assets	12,375	15,683
Tangible fixed assets, held under finance leases and hire purchase contracts	8,518	7,609
Other operating lease rentals	17,500	13,549
Other operating income includes:		
Insurance claim	6,035	7,309

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
On bank loans and overdrafts	44,017	54,031
Finance charges in respect of finance leases	1,926	1,863
	45,943	55,894

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2004 £	2003 £
Wages and salaries	223,170	218,014
Social security costs	18,573	22,000
	241,743	240,014

The average number of employees of the company during the year was 18 (2003: 18).

Remuneration in respect of directors was as follows:

	2004 £	2003 £
Emoluments	1,730	10,794

4 TAX ON LOSS ON ORDINARY ACTIVITIES

Significant unrelieved tax losses remain available to offset against future taxable trading profits.

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2004

5 FACTORS AFFECTING TAX CHARGES FOR THE PERIOD

The tax assessed for the period is different to the small company rate of corporation tax in the United Kingdom of 19% (2003: 19%). The differences are explained as follows:

	2004 £	2003 £
Loss on ordinary activities before tax	(71,238)	(71,289)
Loss on ordinary activities multiplied by small company rate of corporation tax in the United Kingdom of 19%	(13,535)	(13,545)
Effect of: Accumulation of tax losses	13,535	13,545
	-	-

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Freehold property improve- ments £	Plant and machinery £	Total £
Cost or valuation				
At 1 February 2003	499,890	1,259,502	279,821	2,039,213
Additions	-	9,375	4,271	13,646
At 31 January 2004	499,890	1,268,877	284,092	2,052,859
Depreciation				
At 1 February 2003	-	239,593	200,736	440,329
Provided in the year	-	-	20,893	20,893
At 31 January 2004	-	239,593	221,629	461,222
Net book amount at 31 January 2004	499,890	1,029,284	62,463	1,591,637
Net book amount at 31 January 2003	499,890	1,019,909	79,085	1,598,884

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

For the year ended 31 January 2004

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 2004	<u><u>25,556</u></u>
Net book amount at 31 January 2003	<u><u>34,074</u></u>
Depreciation provided during year	<u><u>8,518</u></u>

7 STOCK

	2004 £	2003 £
Finished goods and goods for resale	<u><u>3,988</u></u>	<u><u>3,661</u></u>

8 DEBTORS

	2004 £	2003 £
Trade debtors	18,123	7,875
Other debtors	7,251	2,100
Prepayments and accrued income	7,847	6,144
	<u><u>33,221</u></u>	<u><u>16,119</u></u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank loans, overdrafts and shareholder loans	1,071,063	980,562
Trade creditors	51,203	29,042
Social security and other taxes	25,114	31,771
Other creditors	4,041	117
Accruals and deferred income	166,327	184,283
Amounts due under finance leases	6,625	9,204
	<u><u>1,324,373</u></u>	<u><u>1,234,979</u></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 2004

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £	2003 £
Debenture loans	30,000	30,000
Shareholder loans	70,996	72,121
Amounts due under finance leases	7,084	13,708
	<u>108,080</u>	<u>115,829</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:

	2004 £	2003 £
Within one year		
Bank and shareholders' loans	1,071,063	980,562
Finance leases	6,625	9,204
After one and within two years		
Loans	22,175	23,300
Finance leases	5,001	6,624
After two and within five years		
Loans	78,821	78,821
Finance leases	2,083	7,084
	<u>1,185,768</u>	<u>1,105,595</u>

11 SHARE CAPITAL

	2004 £	2003 £
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>

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2004

12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 February 2003	1,474,954	(1,204,320)
Retained loss for the year	-	(71,238)
At 31 January 2004	<u>1,474,954</u>	<u>(1,275,558)</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Loss for the financial year	(71,238)	(71,289)
Shareholders' funds at 1 February 2003	<u>270,684</u>	<u>341,973</u>
Shareholders' funds at 31 January 2004	<u>199,446</u>	<u>270,684</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 January 2004 or 31 January 2003.

15 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 January 2004 or 31 January 2003.

16 LEASING COMMITMENTS

Operating lease payments in respect of land and buildings amounting to £22,000 (2003: £13,549) are due within one year. The leases to which these amounts relate expire as follows:

	2004		2003	
	Land and buildings £	Other £	Land and buildings £	Other £
Between one and five years	-	4,500	-	-
In five years or more	<u>17,500</u>	<u>-</u>	<u>13,549</u>	<u>-</u>

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2004

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

The balance on the directors' current account at the year end was £1,216 (2003: £2,100) and is shown in other debtors.

Golf and Leisure Holdings Limited, the controlling shareholder of Aspect Golf and Leisure Limited are due loans of £395,996 which are reflected in the borrowings note. No interest has been provided or paid in the year on these loans.

19 POST BALANCE SHEET EVENT

The company's parent undertaking, Golf and Leisure Holdings Limited, has agreed to sell its shareholding in the company to Park Place Estates LLP on 27 February 2004.