

ASPECT GOLF AND LEISURE LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2005**

S H LANDES & CO

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

Company number: 2100925



ASPECT GOLF AND LEISURE LIMITED
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PERIOD ENDED 31 MARCH 2005

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ASPECT GOLF AND LEISURE LIMITED**COMPANY INFORMATION****DIRECTORS**

R. J. C. Paterson
J. N. Hollond
M. J. Fresson
D. P. Walsh
R. D. Johnson

SECRETARY

R. J. C. Paterson

REGISTERED OFFICE

5th Floor, Walmar House
288 Regent Street
London
W1B 3AL

AUDITORS

S H Landes & Co
Chartered Accountants and
Registered Auditors
5th Floor, Walmar House
288 Regent Street
London
W1B 3AL

BANKERS

HSBC Plc
6 Market Place
Henley On Thames
Oxfordshire
RG9 2AN

ASPECT GOLF AND LEISURE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 31 March 2005.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of the company continues to be that of a golf club. The results for the period are set out on page 6.

The directors intend to undertake a redevelopment programme to the club in the autumn of 2005.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their beneficial interests in the company's share capital were as follows:

	31 March 2005	31 January 2004
T. Ziffo (resigned 27 February 2004)	-	-
A. Jassal (resigned 27 February 2004)	-	-
S. Seretis (resigned 27 February 2004)	-	-
T. M. Winsland (resigned 27 February 2004)	-	-
R. J. C. Paterson (appointed 27 February 2004)		
J. N. Hollond (appointed 27 February 2004)		
M. J. Fresson (appointed 27 February 2004)		
D. P. Walsh (appointed 1 March 2004)		
R. D. Johnson (appointed 1 March 2004)		

Each of the directors appointed during the period is a member in Park Place Estates LLP which holds the entire issued share capital of the company.

STATEMENT OF 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 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 a 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.

ASPECT GOLF AND LEISURE LIMITED**REPORT OF THE DIRECTORS**
(continued)**SMALL COMPANY RULES**

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

AUDITORS

The auditors, S H Landes & Co, will be proposed for re-appointment in accordance with S.385 of the Companies Act 1985.

This report was approved by the board on 27 September 2005 and signed on its behalf by:



R. J. C. Paterson - Secretary

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ASPECT GOLF AND LEISURE LIMITED

We have audited the financial statements of Aspect Golf and Leisure Limited for the period ended 31 March 2005, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 judgments 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 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 was limited because the previous year's financial statements were not audited by ourselves and there was a lack of visible audit trail in the two month period from August to September 2004 in the areas of bar sales and members' bar deposits. There were no satisfactory audit procedures that we could adopt to confirm the accuracy of these areas.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ASPECT GOLF AND LEISURE LIMITED
(continued)

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 15 to the financial statements concerning the company's ability to continue trading as a going concern. The financial statements do not include any adjustments that would result from the withdrawal of support by the company's shareholder. Our opinion is not qualified in this respect.

Qualified opinion arising from limitation of audit scope

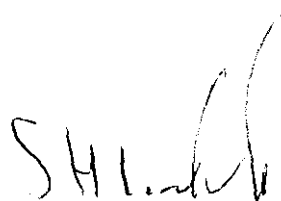
Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning opening balances, bar sales and members' bar deposits, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to opening balances, bank receipts, bar sales, members' bar deposits and subscription income:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

S H LANDES & CO
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS

5th Floor, Walmar House
288 Regent Street
London
W1B 3AL



Date: 27 September 2005

ASPECT GOLF AND LEISURE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2005

	Notes	2005 £	Year ended 31 January 2004 £
TURNOVER	2	620,322	554,254
Cost of sales		(133,378)	(108,037)
GROSS PROFIT		486,944	446,217
Administration expenses		(549,658)	(477,547)
Other operating income		-	6,035
OPERATING LOSS	3	(62,714)	(25,295)
Interest receivable and similar income		1,351	-
Interest payable and similar charges		(4,511)	(45,943)
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION RETAINED		(65,874)	(71,238)

ASPECT GOLF AND LEISURE LIMITED

BALANCE SHEET AT 31 MARCH 2005

	Notes	2005 £	31 January 2004 £
FIXED ASSETS			
Tangible assets	6	1,801,744	1,591,637
CURRENT ASSETS			
Stock		2,894	3,988
Debtors	7	260,272	33,221
Cash at bank and in hand		80,492	3,053
		343,658	40,262
CREDITORS: amounts falling due within one year	8	(851,976)	(1,324,373)
NET CURRENT LIABILITIES		(508,318)	(1,284,111)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,293,426	307,526
CREDITORS: amounts falling due after one year	9	(1,159,854)	(108,080)
TOTAL ASSETS		133,572	199,446
CAPITAL AND RESERVES			
Share capital	11	50	50
Profit and loss account	12	(1,341,432)	(1,275,558)
Share premium	12	1,474,954	1,474,954
SHAREHOLDERS' FUNDS	13	133,572	199,446

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The financial statements were approved by the board on 27 September 2005 and signed on its behalf by:

Director

Director

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

(a) **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) **Tangible fixed assets and depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off their cost less their estimated residual value over their expected useful lives. The applicable annual rates are:

Plant and machinery	25% reducing balance
Office and computer equipment	25% reducing balance
Motor vehicles	25% reducing balance

(c) **Deferred taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(d) **Subscriptions**

Subscription income receivable from club members is accounted for in the year to which it relates, on a full accruals basis.

(e) **Stock**

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

(f) **Leasing and hire purchase contracts**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ASPECT GOLF AND LEISURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005
(continued)

2. TURNOVER AND LOSS

The turnover and loss before taxation is attributable to the one principal activity of the company.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
	£	£
This is stated after charging or crediting:		
Depreciation of owned tangible fixed assets	14,569	12,375
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	10,610	8,518
Auditors' remuneration	5,000	7,200
Other operating lease rentals	-	17,500
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	2005	2004
	£	£
Emoluments	<u>1,700</u>	<u>1,730</u>

5. TAXATION

There is no charge to corporation tax due to losses incurred.

ASPECT GOLF AND LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005
(continued)**

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Freehold property improvements £	Development costs £	Plant and machinery £	Total £
Cost:					
At 1 February 2004	499,890	1,268,877	-	284,092	2,052,859
Additions	-	1,250	208,671	25,365	235,286
	-----	-----	-----	-----	-----
At 31 March 2005	499,890	1,270,127	208,671	309,457	2,288,145
	-----	-----	-----	-----	-----
Depreciation:					
At 1 February 2004	-	239,593	-	221,629	461,222
Charge for the year	-	-	-	25,179	25,179
	-----	-----	-----	-----	-----
At 31 March 2005	-	239,593	-	246,808	486,401
	-----	-----	-----	-----	-----
Net book value:					
At 31 March 2005	499,890	1,030,534	208,671	62,649	1,801,744
	=====	=====	=====	=====	=====
At 31 January 2004	499,890	1,029,284	-	62,463	1,591,637
	=====	=====	=====	=====	=====

Included in the total net book value of tangible fixed assets held at 31 March 2005 was £26,649 (31 January 2004: £25,556) in respect of assets held under hire purchase contracts.

7. DEBTORS

	2005 £	2004 £
Trade debtors	-	18,123
Other debtors	260,272	15,098
	-----	-----
	260,272	33,221
	=====	=====

During the period there was a loan to a former director of £1,700. This was the maximum amount outstanding during the period and there was no outstanding balance at the period end.

ASPECT GOLF AND LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005
(continued)**

8. CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Debenture loans	17,500	-
Shareholder loans	682,872	1,071,063
Trade creditors	27,961	51,203
Other taxes and social security costs	4,630	25,114
Other creditors	10,609	4,041
Accruals and deferred income	97,048	166,327
Obligations under finance leases and hire purchase contracts	11,356	6,625
	<u>851,976</u>	<u>1,324,373</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.

9. CREDITORS: amounts falling due after one year

	2005	2004
	£	£
Debenture loans	-	30,000
Shareholder loans	1,150,623	70,996
Obligations under finance leases and hire purchase contracts	9,231	7,084
	<u>1,159,854</u>	<u>108,080</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.

10. CONTINGENT LIABILITY

The club is in dispute with the former independent club professional over the amount due to him for the stock in the pro shop. An offer to settle has been made in an amount of £53,500 in addition to the £25,000 already paid, a total of £78,500, plus estimated costs of £20,000.

11. SHARE CAPITAL

	2005	2004
	£	£
Authorised:		
50 ordinary shares of £1 each	50	50
Allotted, called up and fully paid:		
50 ordinary shares of £1 each	50	50

ASPECT GOLF AND LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005
(continued)**

12. SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 February 2004	1,474,954	(1,275,558)
Retained loss for the period	-	(65,874)
	<hr/>	<hr/>
At 31 March 2005	1,474,954	(1,341,432)
	<hr/>	<hr/>

13. SHAREHOLDERS' FUNDS

	2005 £	2004 £
Retained loss for the period/year	(65,874)	(71,238)
Opening shareholders' funds	199,446	270,684
	<hr/>	<hr/>
Closing shareholders' funds	133,572	199,446
	<hr/>	<hr/>

14. ULTIMATE PARENT AND CONTROLLING PARTY

The ultimate parent is Park Place Estates LLP and the ultimate controlling parties are the members of Park Place Estates LLP.

15. COMPANY FINANCING

The company's current liabilities exceeded its current assets by £508,318 and the company incurred a trading loss for the period of £65,874. Should the company's income prove insufficient to fund its future financing, the company's shareholder has indicated its willingness to make available to the company such additional funds as it may require in respect of its financing for the foreseeable future. Having consideration to the support indicated, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

16. RELATED PARTY TRANSACTIONS

During the period the company paid £276 to Eleven Cadogan Gardens, a hotel owned by Mr. M. Fresson, for accommodation.