

**ASPECT GOLF AND LEISURE
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2002



Company no 2100925

ASPECT GOLF AND LEISURE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2002

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
J L Winsland
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 2002

INDEX	PAGE
Report of the directors	1 - 2
Report of the independent auditors	3 - 4
Principal accounting policies	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 14

ASPECT GOLF AND LEISURE LIMITED

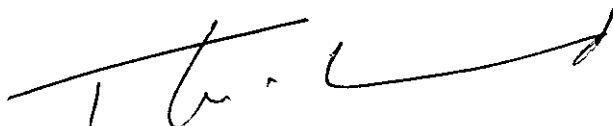
REPORT OF THE DIRECTORS

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

A handwritten signature in black ink, appearing to be 'T. L. L.', written over a horizontal line.

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 2002 which comprise the principal accounting policies, profit and loss account, the balance sheet, and notes 1 to 17 on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

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. In view of the significance of this fundamental uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

ASPECT GOLF AND LEISURE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 January 2002.

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 £191,410 (2001: loss £327,082). 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 2002 and 1 February 2001 were as follows:

	31 January 2002	1 February 2001
T Ziffo	-	-
A Jassal	-	-
S Seretis	-	-
J L Winsland	2	3
T M Winsland	2	3

J L Winsland and T M Winsland also have a joint interest in 6 further ordinary shares.

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.

**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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

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

7 October 2002

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 £1,155,948. 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 2002.
- 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.

ASPECT GOLF AND LEISURE LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 2002

	Note	2002 £	2001 £
Turnover	1	522,530	485,659
Cost of sales		(102,950)	(73,198)
Gross profit		419,580	412,461
Administrative expenses		(528,578)	(655,621)
Other operating income		2,547	-
Operating loss		(106,451)	(243,160)
Interest payable and similar charges	2	(84,959)	(83,922)
Loss on ordinary activities before and after taxation	1	(191,410)	(327,082)

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.

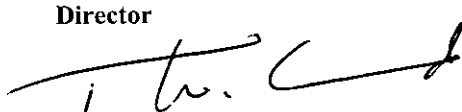
ASPECT GOLF AND LEISURE LIMITED

BALANCE SHEET AT 31 JANUARY 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	5	1,582,569	1,565,769
Current assets			
Stock	6	3,556	2,644
Debtors	7	17,013	23,573
Cash at bank and in hand		844	4,910
		<u>21,413</u>	<u>31,127</u>
Creditors: amounts falling due within one year	8	<u>(1,177,361)</u>	<u>(391,147)</u>
Net current liabilities		<u>(1,155,948)</u>	<u>(360,020)</u>
Total assets less current liabilities		<u>426,621</u>	<u>1,205,749</u>
Creditors: amounts falling due after more than one year	9	<u>(84,648)</u>	<u>(1,477,366)</u>
		<u><u>341,973</u></u>	<u><u>(271,617)</u></u>
Capital and reserves			
Called up share capital	10	50	16
Share premium account	11	1,474,954	669,988
Profit and loss account	11	<u>(1,133,031)</u>	<u>(941,621)</u>
Shareholders' funds	12	<u><u>341,973</u></u>	<u><u>(271,617)</u></u>

The financial statements were approved by the Board of Directors on 26 - 9 - 02 .

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 2002

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:

	2002	2001
	£	£
Auditors' remuneration	8,000	7,800
Depreciation of owned tangible fixed assets	14,436	11,188
Tangible fixed assets, held under finance leases and hire purchase contracts	4,895	8,582
Tangible fixed assets - impairment loss	-	239,593
Other operating lease rentals	17,500	17,500
	<u>2,547</u>	<u>-</u>
Other operating income includes:		
Insurance claim	<u>2,547</u>	<u>-</u>

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
On bank loans and overdrafts	82,157	82,488
Finance charges in respect of finance leases	2,802	1,434
	<u>84,959</u>	<u>83,922</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002	2001
	£	£
Wages and salaries	256,288	208,029
Social security costs	22,738	19,103
	<u>279,026</u>	<u>227,132</u>

The average number of employees of the company during the year was 14 (2001: 15).

Remuneration in respect of directors was as follows:

	2002	2001
	£	£
Emoluments	32,700	47,767
Compensation for loss of office	14,750	-
	<u>47,450</u>	<u>47,767</u>

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

4 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of approximately £807,000 (2001: £585,000) remain available to offset against future taxable trading profits.

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Freehold property improve- ments £	Plant and machinery £	Total £
Cost or valuation				
At 1 February 2001	499,890	1,239,703	223,882	1,963,475
Additions	-	14,094	22,037	36,131
At 31 January 2002	499,890	1,253,797	245,919	1,999,606
Depreciation				
At 1 February 2001	-	239,593	158,113	397,706
Provided in the year	-	-	19,331	19,331
At 31 January 2002	-	239,593	177,444	417,037
Net book amount at 31 January 2002	<u>499,890</u>	<u>1,014,204</u>	<u>68,475</u>	<u>1,582,569</u>
Net book amount at 31 January 2001	<u>499,890</u>	<u>1,000,110</u>	<u>65,769</u>	<u>1,565,769</u>

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 2002	<u>14,685</u>
Net book amount at 31 January 2001	<u>33,534</u>
Depreciation provided during year	<u>4,895</u>

6 STOCK

	2002 £	2001 £
Finished goods and goods for resale	<u>3,556</u>	<u>2,644</u>

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

7 DEBTORS

	2002 £	2001 £
Trade debtors	13,205	20,691
Other debtors	752	310
Prepayments and accrued income	3,056	2,572
	<u>17,013</u>	<u>23,573</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Debenture loans	-	10,000
Bank loans, overdrafts and shareholder loans	887,095	119,750
Trade creditors	29,096	25,328
Social security and other taxes	19,616	34,768
Other creditors	4,931	7,942
Accruals and deferred income	230,985	187,761
Amounts due under finance leases	5,638	5,598
	<u>1,177,361</u>	<u>391,147</u>

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

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Debenture loans	30,000	25,000
Bank and shareholder loans	48,821	1,441,173
Amounts due under finance leases	5,827	11,193
	<u>84,648</u>	<u>1,477,366</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.

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

Borrowings are repayable as follows:	2002	2001
	£	£
Within one year		
Bank and shareholders' loans	887,095	129,750
Finance leases	5,638	5,598
After one and within two years		
Bank and shareholders' loans	-	742,764
Finance leases	5,827	5,016
After two and within five years		
Bank and shareholders' loans	78,821	448,409
Finance leases	-	6,177
After five years		
Bank and shareholders' loans	-	275,000
	977,381	1,612,714
Bank and other borrowings repayable after five years comprise:	2002	2001
	£	£
Bank and shareholders' loans	-	275,000

10 SHARE CAPITAL

	2002	2001
	£	£
Authorised		
Ordinary shares of £1 each	50	18
Allotted, called up and fully paid		
Ordinary shares of £1 each	50	16

Allotments during the year

The company made an allotment of 29 'A' ordinary share and 5 'B' ordinary share by way of converting shareholders loans into equity. The difference of £804,966 between the total value of the outstanding loans capitalised of £805,000 and the nominal value of the shares of £34 has been credited to share premium account.

Share Classification

The authorised share capital has been increased during the year and 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 2002

11 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 February 2001	669,988	(941,621)
Retained loss for the year	-	(191,410)
Premium on allotment during the year	804,966	-
At 31 January 2002	<u>1,474,954</u>	<u>(1,133,031)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	(191,410)	(327,082)
Issue of shares	805,000	-
Shareholders' funds at 1 February 2001	(271,617)	55,465
Shareholders' funds at 31 January 2002	<u>341,973</u>	<u>(271,617)</u>

13 CAPITAL COMMITMENTS

The company had no capital commitments at 31 January 2002 or 31 January 2001.

14 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 January 2002 or 31 January 2001

15 LEASING COMMITMENTS

Operating lease payments in respect of land and buildings amounting to £17,500 (2001: £17,500) are due within one year. The leases to which these amounts relate expire as follows:

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
In five years or more	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>-</u>

16 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.

ASPECT GOLF AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

17 RELATED PARTY TRANSACTIONS

A summary of related party transactions follows:

T M Winsland and J L Winsland, directors of Aspect Golf and Leisure Limited, provided an interest free loan to the company, of which £nil (2001: £125,000) was repayable at the balance sheet date. The balance of this loan was converted into equity shares during the year (see note 10).

The balance on their directors' current account at the year end was £4,931 (2001: £7,942).

Golf and Leisure Holdings Limited, the controlling shareholder of Aspect Golf and Leisure Limited, provided a £48,821 (2001: £332,669) loan, net of arrangement costs, included in note 9. The outstanding amount is the balance of interest remaining after the capital element of the loan was converted into equity shares during the year. No interest has accrued on this balance since the conversion, however total interest accrued during the year on this loan amounted to £28,081 (2001: £29,448). At the balance sheet date, interest totalling £nil (2001: £90,740) was outstanding.

A further interest free loan of £275,000, which was provided in prior years, was also converted into equity during the year.