

**ASPECT GOLF AND LEISURE  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 1997



# **ASPECT GOLF AND LEISURE LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 January 1997

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Company registration number: 2100925

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

Directors: T M Winsland  
J L Winsland  
T Ziffo

Secretary: J L Winsland

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

Solicitors: Kidd Rapinet  
35 Windsor Road  
Slough  
Berks  
SL1 2EB

Auditors: Grant Thornton  
Chartered accountants  
Edinburgh House  
Windsor Road  
Slough  
SL1 2EE

# ASPECT GOLF AND LEISURE LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 January 1997

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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 1997.

### Principal activities

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

### Business review

As stated in last year's report, the expanded course and clubhouse were opened officially on 3 May 1996. This was after a prolonged cold, dry period which held back growth badly, such that the course was not in the condition we would have expected.

There then followed a period of some 3 months during which the greens and surrounds were intensively nurtured to bring them to an acceptable standard. In August we began a major promotion of the club to attract visitors which in turn led to the booking of societies and an increase in the uptake of new membership.

Of the 113 new members who joined during the year, over 60 were between October and January. It can be seen that the improvement in the course condition has resulted in a better uptake of membership, especially when it is considered that these members joined in the winter months, a traditionally slow period. We have already attracted 47 new members in the first quarter of 1997.

Some twenty additional society bookings have been made to date for the coming season which represents a tenfold increase on last year and we also have a 70% increase in wedding bookings.

It is our intention to continue to implement aggressive marketing campaigns to ensure that the above expansion trends are maintained during 1997/98.

There was a loss for the year after taxation amounting to £166,634 (1996: loss £85,347). The directors do not recommend payment of a dividend and the loss has therefore been deducted from reserves.

### Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 January 1997 and 1 February 1996 were as follows:

	'B' Ordinary shares	
	31 January 1997	1 February 1996
T M Winsland	2	2
J L Winsland	2	2
T Ziffo	-	-

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 18.

Since the year end, the company has granted a share option to Mr T Winsland and Mrs J Winsland to acquire a total of 3 'B' ordinary shares at any time up to 31 January 1998 at a sum of £20,000 per share.

# ASPECT GOLF AND LEISURE LIMITED

## REPORT OF THE DIRECTORS

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### Directors' responsibilities for the financial statements

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 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.

### 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

Date 8-9-97.

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

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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.

**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 1997 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  
THAMES VALLEY  
SLOUGH**

Date

*8 September 1997*

# **ASPECT GOLF AND LEISURE LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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

The principal accounting policies of the company have remained unchanged from the previous period 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.

### **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 properties and improvements as it is the company's policy to maintain these assets in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values are so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation. Provision is made in the profit and loss account for any permanent diminution in value.

### **STOCK**

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

### **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 1997

	Note	1997 £	1996 As restated £
<b>Turnover</b>			
Cost of sales	1	381,979 (60,233)	311,993 (50,038)
Gross profit		321,746	261,955
Administrative expenses		(395,959)	(279,958)
<b>Operating loss</b>		(74,213)	(18,003)
Other interest receivable and similar income		547	445
Interest payable and similar charges	2	(92,968)	(67,789)
<b>Loss on ordinary activities before and after taxation</b>	1	(166,634)	(85,347)

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



# ASPECT GOLF AND LEISURE LIMITED

## BALANCE SHEET AT 31 JANUARY 1997

	Note	1997 £	1996 As restated £
<b>Fixed assets</b>			
Tangible assets	6	1,763,030	1,671,781
<b>Current assets</b>			
Stock	7	5,552	5,838
Debtors	8	20,467	38,467
Cash at bank and in hand		9,670	92,946
		<u>35,689</u>	<u>137,251</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(383,774)</u>	<u>(289,829)</u>
<b>Net current liabilities</b>		<u>(348,085)</u>	<u>(152,578)</u>
<b>Total assets less current liabilities</b>		<u>1,414,945</u>	<u>1,519,203</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(1,328,706)</u>	<u>(1,266,330)</u>
		<u>86,239</u>	<u>252,873</u>
<b>Capital and reserves</b>			
Called up share capital	11	10	10
Share premium account	12	549,994	549,994
Profit and loss account	12	(463,765)	(297,131)
<b>Shareholders' funds</b>	13	<u>86,239</u>	<u>252,873</u>

The financial statements were approved by the Board of Directors on

8.9.97



Director

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

**ASPECT GOLF AND LEISURE LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 January 1997

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	1997	1996
	£	As restated £
Loss for the financial year	(166,634)	(85,347)
Prior year adjustment (Note 5)	(13,918)	-
Total gains and losses recognised since last financial statements	<u>(180,552)</u>	<u>(85,347)</u>

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 1997

### 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:

	1997 £	1996 £
Auditors' remuneration	7,250	7,250
Depreciation of owned tangible fixed assets	30,748	18,053
Hire of plant and machinery	-	3,344
	<u>          </u>	<u>          </u>

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, otherwise than by instalments	485	12,907
Repayable wholly or partly in more than 5 years	92,483	54,882
	<u>92,968</u>	<u>67,789</u>

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1997 £	1996 £
Wages and salaries	150,427	154,646
Social security costs	12,689	13,092
	<u>163,116</u>	<u>167,738</u>

The average number of employees of the company during the year was 10 (1996: 9).

Remuneration in respect of directors was as follows:

	1997 £	1996 £
Directors' fees	1,800	1,050
Management remuneration	41,143	45,000
	<u>42,943</u>	<u>46,050</u>

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1997

### 4 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of approximately £440,000 (1996: £290,000) remain available to offset against future taxable trading profits.

### 5 PRIOR YEAR ADJUSTMENT

The prior year adjustment of £13,918 is in respect of a correction of a fundamental accounting error which had resulted in the incorrect timing of income recognition.

### 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Freehold property improve- ments	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 February 1996	499,890	1,084,682	157,013	1,741,585
Additions	-	105,196	16,801	121,997
	<u>499,890</u>	<u>1,189,878</u>	<u>173,814</u>	<u>1,863,582</u>
Depreciation				
At 1 February 1996	-	-	69,804	69,804
Provided in the year	-	-	30,748	30,748
	<u>-</u>	<u>-</u>	<u>100,552</u>	<u>100,552</u>
Net book amount at 31 January 1997	<u>499,890</u>	<u>1,189,878</u>	<u>73,262</u>	<u>1,763,030</u>
Net book amount at 31 January 1996	<u>499,890</u>	<u>1,084,682</u>	<u>87,209</u>	<u>1,671,781</u>

### 7 STOCK

	1997 £	1996 £
Finished goods and goods for resale	<u>5,552</u>	<u>5,838</u>

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1997

### 8 DEBTORS

	1997 £	1996 £
Trade debtors		
Other debtors	17,215	22,862
Prepayments and accrued income	600	13,072
	2,652	2,533
	<u>20,467</u>	<u>38,467</u>

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

	1997 £	1996 As restated £
Bank loan		
Trade creditors	112,500	-
Social security and other taxes	19,791	27,212
Other creditors	20,169	22,730
Loans from directors	-	2,296
Accruals and deferred income	8,966	4,854
Shareholders' loan	202,990	232,737
	19,358	-
	<u>383,774</u>	<u>289,829</u>

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

	1997 £	1996 £
Debenture loans		
Bank loans	50,000	50,000
Shareholders' loans	773,063	782,000
	505,643	434,330
	<u>1,328,706</u>	<u>1,266,330</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 1997

### Bank loan

The bank loan is secured by a fixed and floating charge over the assets of the company. The loan is repayable in quarterly instalments of £37,500 from 1 June 1997 to 1 September 2002. Interest is charged at base rate plus 1.5%. The loan is shown net of issue costs of £14,437.

### Shareholders' loans

The shareholders' loan of £270,000 (1996: £270,000) is secured by a fixed and floating charge over the assets of the company. The loan is repayable in half yearly instalments of £16,875 from 31 December 1997 to 30 June 2005. Interest is charged at base rate plus 2%. In accordance with the Shareholders' Agreement, interest of £39,731 (1996: £16,771) has been deferred and will be repayable in equal instalments along with the principal. The loan is shown net of issue costs of £4,730.

Of the remaining shareholders' loan of £220,000 (1996: £170,000), £132,000 (1996: £102,000) is secured by a fixed and floating charge over the assets of the company. The loan is repayable after 5 years once agreed by both the bank and shareholders, and prior to any dividend payments. No interest is charged on the loan.

Borrowings are repayable as follows:

	1997 £	1996 £
Within one year		
Bank and other borrowings	121,466	4,854
Shareholders' loan	19,358	-
After one and within two years		
Bank and other borrowings	150,000	109,969
Shareholders' loan	38,716	16,521
After two and within five years		
Bank and other borrowings	490,000	474,875
Shareholders' loan	116,148	99,124
After five years		
Bank and other borrowings	183,063	247,156
Shareholders' loans	350,779	318,685
	<u>1,469,530</u>	<u>1,271,184</u>

Borrowings repayable after five years comprise:

	1997 £	1996 £
Bank loan	173,063	232,156
Shareholders' loans	350,779	318,685
Debenture loans	10,000	15,000
	<u>533,842</u>	<u>565,841</u>

# ASPECT GOLF AND LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1997

### 11 SHARE CAPITAL

	1997 £	1996 £
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Authorised, allotted, called up and fully paid  
10 ordinary shares of £1 each

10	10
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The £1 ordinary shares comprise 4 'A' ordinary and 6 'B' ordinary. The 'A' and 'B' shares rank pari passu in all respects.

### 12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 February 1996 as previously stated	549,994	(283,213)
Prior year adjustment (note 5)	-	(13,918)
Retained reserves at 1 February 1996 as restated	549,994	(297,131)
Retained loss for the year	-	(166,634)
At 31 January 1997	549,994	(463,765)

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 As restated £
Loss for the financial year	(166,634)	(85,347)
Shareholders' funds at 1 February 1996 (originally £266,791 before deducting prior year adjustment of £13,918).	252,873	338,220
Shareholders' funds at 31 January 1997	86,239	252,873

### 14 CAPITAL COMMITMENTS

There were no capital commitments at 31 January 1997. At 31 January 1996 the company was committed to paying £60,000 for the completion of the development of the golf course.

### 15 CONTINGENT LIABILITIES

At 31 January 1997 a contingent liability existed of £40,000. This related to the future trading performance of the company. At 31 January 1996, there were no contingent liabilities.

## ASPECT GOLF AND LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1997

#### 16 LEASING COMMITMENTS

Operating lease payments in respect of land and buildings amounting to £27,417 (1996: £17,500) are due within one year. The leases to which these amounts relate expire as follows:

	1997 £	1996 £
In one year or less	9,417	-
In five years or more	18,000	17,500
	<u>27,417</u>	<u>17,500</u>

#### 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 are shown below.

Aries Developments, a business owned by T M Winsland and J L Winsland, was paid £20,000 for project management services relating to the development of the 18 hole golf course.

Aries Developments charged £4,050 for management charges.

Golf and Leisure Holdings, a company that owns 60% of the share capital of Aspect Golf and Leisure Limited, provided the £270,000 loan shown in note 10. Interest for the year of £22,959 was charged.