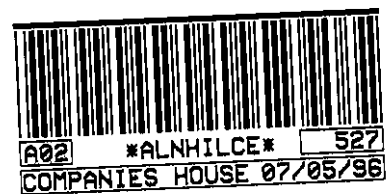


**Burgham Park Golf and Country Club
Limited**

Directors' report and financial statements

31 March 1995

Registered number: 2759001



Burgham Park Golf and Country Club Limited

Directors' report and financial statements

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Burgham Park Golf and Country Club Limited

Directors' report

The directors present their report and the audited financial statements for the period ended 31 March 1995.

Directors' responsibilities for the financial statements

The directors are required by company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the results for the period to that date. In preparing the financial statements the directors are required:

- to maintain adequate accounting records, to safeguard the assets of the company and to prevent and detect fraud and other irregularities;
- to apply suitable accounting policies in a consistent manner and make reasonable and prudent judgements and estimates where necessary;
- to comply with all applicable accounting standards (except where any departures from this requirement are explained in the notes to the financial statements).

Principal activities

The principal activity of the company continues to be the operation of golf and country club facilities.

Share capital

On 5 September 1994 the company re-classified the 215,600 A ordinary shares of £1 each as deferred non-voting ordinary shares of £1 each and the 184,400 B ordinary shares of £1 each as ordinary shares of £1 each.

On the same date the company's authorised share capital was increased from £400,000 to £700,000 comprising 484,400 ordinary shares of £1 each and 215,600 deferred non-voting ordinary shares of £1 each prior to the company issuing 300,000 ordinary shares of £1 each at par for cash.

On 31 March 1995 the company's authorised share capital was increased from £700,000 to £1,000,000 comprising 784,400 ordinary shares of £1 each and 215,600 deferred non-voting ordinary shares of £1 each prior to the company issuing 137,950 ordinary shares of £1 each at par for cash.

Directors and directors' interests

The directors who held office during the period were as follows:

Mrs G Watkin - resigned 25 April 1994
A Mair
RA McLean
AK McLean
M James
KE Watkin

Burgham Park Golf and Country Club Limited

Directors' report

Directors and directors' interests (*continued*)

The directors who held office at the end of the financial period had the following interests in the share capital of the company as recorded in the register of directors' share and debenture interests.

| | Interest in ordinary shares at end of period | Interest in B ordinary shares at beginning of period |
|-----------|--|---|
| A Mair | - | 39,956 |
| RA McLean | - | - |
| AK McLean | - | - |
| M James | 102,211 | 45,552 |
| KE Watkin | 381,989 | 98,692 |

M James and KE Watkin also had an interest in one deferred non-voting ordinary share each at the end of the period.

RA McLean and AK McLean both had an interest in 137,950 ordinary shares at the end of the period by way of their interests in the share capital of Barkel Developments Limited.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of The Charlton Williamson Partnership as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 8 April 1996, taking advantage of special exemptions available to small companies.

By order of the board



Director



CHARTERED ACCOUNTANTS

77 Osborne Road, Jesmond, Newcastle upon Tyne NE2 2AN
Telephone: (0191) 281 8877 Fax: (0191) 281 6147

Report of the auditors to the shareholders of Burgham Park Golf and Country Club Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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 at 31 March 1995 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

The Charlton Williamson Partnership.

*Chartered Accountants
Registered Auditors*

8 April 1996

Burgham Park Golf and Country Club Limited

Profit and loss account

for the period ended 31 March 1995

| | <i>Note</i> | 1995 (17 months) | 1993 (12 months) |
|--|-------------|---------------------|---------------------|
| Turnover | 2 | 121,332 | - |
| Cost of sales | | (26,258) | - |
| | | <hr/> | <hr/> |
| Gross profit | | 95,074 | - |
| Administration costs | | (346,553) | (8,525) |
| | | <hr/> | <hr/> |
| Operating loss | 3 | (251,479) | (8,525) |
| Interest receivable | 4 | 34,800 | 1,800 |
| Interest payable | | (18,417) | (193) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (235,096) | (6,918) |
| Taxation | 5 | - | - |
| | | <hr/> | <hr/> |
| Retained loss for the financial period | 11 | £(235,096) | £(6,918) |
| | | <hr/> | <hr/> |

In each of the periods ended 31 March 1995 and 31 October 1993 the only result recognised by the company was the result for the period, all of the activities undertaken by the company were continuing activities and the reported result was found under the historical cost convention.

Burgham Park Golf and Country Club Limited

Balance sheet

at 31 March 1995

| | <i>Note</i> | 31 March 1995 | 31 October 1993 |
|--|-------------|-----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 123,858 | - |
| Current assets | | | |
| Stocks | | 1,000 | - |
| Debtors | 7 | 718,255 | 251,522 |
| Cash in hand | | 294 | - |
| | | <hr/> | <hr/> |
| | | 719,549 | 251,522 |
| Creditors: amounts falling due within one year | 8 | <hr/> (357,461) <hr/> | <hr/> (59,535) <hr/> |
| Net current assets | | <hr/> 362,088 <hr/> | <hr/> 191,987 <hr/> |
| Total assets less current liabilities | | 485,946 | 191,987 |
| Creditors: amounts falling due after more than one year | 9 | <hr/> (91,105) <hr/> | <hr/> - <hr/> |
| Net assets | | <hr/> £394,841 <hr/> | <hr/> £191,987 <hr/> |
| Capital and reserves | | | |
| Called up share capital | 10 | 622,152 | 184,202 |
| Share premium account | 11 | 14,703 | 14,703 |
| Profit and loss account | 11 | (242,014) | (6,918) |
| | | <hr/> | <hr/> |
| Shareholders' funds | | <hr/> £394,841 <hr/> | <hr/> £191,987 <hr/> |

Approved by the board of directors on 28 April 1996 and signed on its behalf. The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

Director

Burgham Park Golf and Country Club Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Cash flow statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a cash flow statement.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by annual instalments over their estimated useful economic lives, as follows:

| | |
|-----------------------|------------------------|
| Plant and machinery | - 15% reducing balance |
| Fixtures and fittings | - 15% reducing balance |
| Motor vehicles | - 25% reducing balance |

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover (excluding value added tax), represents joining fees and subscriptions received from members, green fees and bar and restaurant income during the period.

Life membership fees are credited to turnover evenly over a period of 25 years with a full release of the balance if the member dies.

Burgham Park Golf and Country Club Limited

Notes (continued)

2 Turnover

All turnover arose from trading within the United Kingdom.

3 Operating loss

| | 1995 £ | 1993 £ |
|--|-----------|-----------|
| <i>Operating loss is stated</i> | | |
| <i>after charging</i> | | |
| Directors' remuneration | 38,961 | 3,800 |
| Auditors' remuneration | 1,900 | 500 |
| Depreciation and other amounts written off tangible fixed assets: | | |
| Owned | 12,506 | - |
| Leased | 5,186 | - |
| Hire of other assets - operating leases | 35,133 | 1,995 |
| | <hr/> | <hr/> |

4 Interest receivable

| | 1995 | 1993 |
|---------------|---------|--------|
| Loan interest | £34,800 | £1,800 |
| | <hr/> | <hr/> |

5 Taxation

There is no charge to corporation tax arising from the result for the period (1993: £Nil) because of the availability of tax losses.

Burgham Park Golf and Country Club Limited

Notes (continued)

6 Tangible fixed assets

| | Plant and machinery | Fixtures and fittings | Motor vehicles | Total |
|------------------------|------------------------|--------------------------|-------------------|----------|
| <i>Cost</i> | | | | |
| Additions | 50,616 | 71,615 | 19,319 | 141,550 |
| At end of period | 50,616 | 71,615 | 19,319 | 141,550 |
| <i>Depreciation</i> | | | | |
| Charge for period | 6,327 | 8,951 | 2,414 | 17,692 |
| At end of period | 6,327 | 8,951 | 2,414 | 17,692 |
| <i>Net book amount</i> | | | | |
| At 31 March 1995 | £44,289 | £62,664 | £16,905 | £123,858 |

The net book amount of plant and machinery included £36,304 in respect of assets held under finance leases and hire purchase contracts.

7 Debtors

| | 1995 | 1993 |
|--|----------|----------|
| Due within one year: | | |
| Trade debtors | 1,808 | - |
| Other debtors | 3,968 | 5,080 |
| Amounts owed by company under common control | 433,933 | 10,842 |
| Prepayments and accrued income | 48,546 | 5,600 |
| | 488,255 | 21,522 |
| Due after more than one year: | | |
| Amount owed by company under common control (secured) | 230,000 | 230,000 |
| | £718,255 | £251,522 |

The amount owed by the company under common control (due after more than one year) is secured and bears interest at the rate of 5% over bank base rate and is repayable in full in 2003.

Burgham Park Golf and Country Club Limited

Notes (continued)

8 Creditors: amounts falling due within one year

| | 1995 | 1993 |
|---|-----------------|----------------|
| Loan (secured) | 100,000 | - |
| Bank overdraft (secured) | 195,199 | 39,357 |
| Obligations under finance leases and hire purchase contracts (secured) | 13,668 | - |
| Trade creditors | 20,085 | - |
| Other taxes and social security | 2,998 | - |
| Accruals and deferred income | 25,511 | 20,178 |
| | <u>£357,461</u> | <u>£59,535</u> |

The bank overdraft is secured by a fixed and floating charge over the assets of the company. The loan from Scottish and Newcastle Breweries was repaid in July 1995.

9 Creditors: amounts falling due after more than one year

| | 1995 | 1993 |
|---|----------------|------------|
| Obligations under finance leases and hire purchase contracts (secured; Due within two to five years) | 13,825 | - |
| Deferred income | 77,280 | - |
| | <u>£91,105</u> | <u>£ -</u> |

10 Called up share capital

| | 1995 | 1993 |
|---|-------------------|-----------------|
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | 784,400 | 184,400 |
| Deferred non-voting ordinary shares of £1 each | 215,600 | 215,600 |
| | <u>£1,000,000</u> | <u>£400,000</u> |
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 622,150 | 184,200 |
| Deferred non-voting ordinary shares of £1 each | 2 | 2 |
| | <u>£622,152</u> | <u>£184,202</u> |

Burgham Park Golf and Country Club Limited

Notes (continued)

10 Called up share capital (continued)

On 5 September 1994 the company re-classified the 215,600 A ordinary shares of £1 each as deferred non-voting ordinary shares of £1 each and the 184,400 B ordinary shares of £1 each as ordinary shares of £1 each.

On the same date the company's authorised share capital was increased from £400,000 to £700,000 comprising 484,400 ordinary shares of £1 each and 215,600 deferred non-voting ordinary shares of £1 each prior to the company issuing 300,000 ordinary shares of £1 each at par for cash.

On 31 March 1995 the company's authorised share capital was increased from £700,000 to £1,000,000 comprising 784,400 ordinary shares of £1 each and 215,600 deferred non-voting ordinary shares of £1 each prior to the company issuing 137,950 ordinary shares of £1 each at par for cash.

The share issues were made in order to provide finance for the company's trading operations.

11 Reserves

| | Share premium account | Profit and loss account |
|--------------------------|-----------------------------|-------------------------------|
| At beginning of period | 14,703 | (6,918) |
| Retained loss for period | - | (235,096) |
| | <hr/> | <hr/> |
| At end of period | £14,703 | £(242,014) |
| | <hr/> | <hr/> |

12 Commitments

At the end of the financial period the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|-----------------------------------|--------------------|---------|
| | 1995 | 1993 |
| | £ | £ |
| Operating leases which expire: | | |
| Over five years | £23,500 | £23,500 |
| | <hr/> | <hr/> |

Burgham Park Golf and Country Club Limited

Notes *(continued)*

13 Contingent liabilities

The company has entered into a cross guarantee of the bank borrowings of Burgham Park Golf Course Limited, a company under common control. At 31 March 1995 these borrowings amounted to £328,920 (1993: £100,000).

In addition there were several legal actions outstanding against the company at the year end. The company is defending these actions. If these defences prove to be unsuccessful, there is a potential liability estimated by the directors (on the basis of legal advice received) to be around £50,000. No provision has been made for this potential liability in the financial statements.