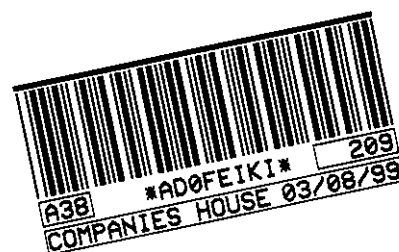


Registrar  
of  
Companies  
2

ZONESPAN LIMITED  
ABBREVIATED STATUTORY ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1998



Company No. 2855397 (England and Wales)

ZONESPAN LIMITED

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ZONESPAN LIMITED  
AUDITORS REPORT TO SOUTH WEST GOLF LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Zonespan Limited for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

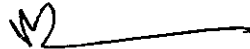
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Richard Perren FCA  
Cavendish Business Centre  
Haslers Lane  
Dunmow, Essex CM6 1XS  
REGISTERED AUDITOR

Date. 28/7/99

**ZONESPAN LIMITED**  
**ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1998**

		<u>1998</u>		<u>1997</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>FIXED ASSETS</u></b>					
Intangible assets	2		9,333		9,917
Tangible assets	3		925,172		149,408
Investments	4		1,050		1,050
			-----		-----
			935,555		160,375
<b><u>CURRENT ASSETS</u></b>					
Stocks		366,725		317,792	
Debtors		129,117		92,529	
Cash at bank and in hand		103,875		99,259	
		-----		-----	
		599,717		509,580	
<b><u>CREDITORS: AMOUNTS FALLING</u></b>					
<b><u>DUE WITHIN ONE YEAR</u></b>	5	478,242		300,416	
		-----		-----	
<b><u>NET CURRENT ASSETS</u></b>			121,475		209,164
<b><u>TOTAL ASSETS LESS CURRENT</u></b>					
<b><u>LIABILITIES</u></b>			-----		-----
			1,057,030		369,539
<b><u>CREDITORS: AMOUNTS FALLING</u></b>					
<b><u>DUE AFTER ONE YEAR</u></b>	6		741,580		184,000
			-----		-----
<b><u>TOTAL ASSETS</u></b>			£315,450		£185,539
			=====		=====
<b><u>CAPITAL AND RESERVES</u></b>					
Share capital	8		1,000		1,000
Profit and loss account			314,450		184,539
			-----		-----
<b><u>EQUITY SHAREHOLDERS FUNDS</u></b>			£315,450		£185,539
			=====		=====

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on .....  
and signed on its behalf.

DIRECTOR.....

DIRECTOR.....

The accompanying notes form part of these financial statements

**ZONESPAN LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

**1. ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention. The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

**Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	-25% on cost
Plant and machinery	-25% on cost

**Intangible Fixed Assets**

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Franchise Licence	-10% on cost
-------------------	--------------

**Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**Stock**

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**Group Accounts**

The company has taken advantage of the exemptions conferred by S.248 and S.249 of the Companies Act 1985 not to prepare Consolidated Financial Statements as the company and its subsidiaries have met the criteria for a small group specified in those sections.

**ZONESPAN LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

**2. INTANGIBLE FIXED ASSETS**

	<u>Franchise Licence</u>	<u>Goodwill</u>
<b>COST</b>	£	£
Cost as at 1 January 1998	18,000	
Additions	1,000	1
	-----	-----
Cost as at 31 December 1998	19,000	1
	=====	=====
 <b>AMORTISATION</b>		
Amortisation as 1 January 1998	8,083	
Charge for the period	1,584	
	-----	-----
Amortisation as at 31 December 1998	9,667	-
	=====	=====
 <b>NET BOOK VALUES</b>		
As at 31 December 1998	9,333	1
	=====	=====
As at 31 December 1997	9,917	-
	=====	=====

**3. TANGIBLE FIXED ASSETS**

	<u>Freehold</u>	<u>Fixtures</u>	<u>Plant &amp;</u>	<u>Total</u>
	<u>Property</u>	<u>&amp; Fittings</u>	<u>Machinery</u>	
<b>COST:</b>	£	£	£	£
As at 1 January 1998	-	277,773	-	277,773
Additions	673,554	128,773	49,481	851,808
	-----	-----	-----	-----
As at 31 December 1998	663,060	406,546	49,481	1,129,581
	-----	-----	=====	=====
 <b>DEPRECIATION:</b>				
As at 1 January 1998	-	128,365	-	128,365
Charge for the period	-	70,097	5,947	76,044
	-----	-----	-----	-----
As at 31 December 1998	-	198,462	5,947	204,409
	=====	=====	=====	=====
 <b>NET BOOK VALUE:</b>				
As at 31 December 1998	663,060	£208,084	£43,534	£925,172
	=====	=====	=====	=====
As at 31 December 1997	-	£149,408	-	£149,408
	=====	=====	=====	=====

ZONESPAN LIMITED  
NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1998

<u>4. INVESTMENTS</u>	<u>1998</u>	<u>1997</u>
	£	£
Listed investments	1,050	1,050
(The market value of the investments was £1,050 )	=====	=====

<u>5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1998</u>	<u>1997</u>
	£	£
Other creditors	51,749	-
	=====	=====

<u>6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1998</u>	<u>1997</u>
	£	£
Amount owed to group undertakings	170,200	146,200
Other creditors	571,380	37,800
	-----	-----
	741,580	184,000
	=====	=====

<u>7. OTHER CREDITORS</u>	<u>1998</u>	<u>1997</u>
	£	£
The aggregate amount of other creditors was as follows:		
Falling due within one year:	51,749	-
Falling due after more than one year:		
- repayable within 5 years	309,414	-
- repayable after 5 years	218,166	-
	-----	-----
	579,329	-
	=====	=====

This amount is secured by a first legal charge over the company's freehold property, a floating charge over certain assets of the company and personal guarantees of the directors dated 06/06/1998.

This sum is repayable in seven annual instalments, of which £460,000 is interest bearing at 9%, this interest is payable monthly. The final payment falls due on 15/05/2005.

**ZONESPAN LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

<b><u>8. SHARE CAPITAL</u></b>	<b><u>1998</u></b>	<b><u>1997</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	<b><u>=====</u></b>	<b><u>=====</u></b>
Allotted issued and fully paid up:		
Ordinary shares of £1 each	1,000	1,000
	<b><u>=====</u></b>	<b><u>=====</u></b>

**9. ULTIMATE HOLDING COMPANY**

The company's ultimate holding company is South West Golf Limited a company incorporated in England.

**10. TRANSACTIONS CONCERNING DIRECTORS**

The company leases a property from Redtarn Investments Limited, a company controlled by two of the directors. The terms of the lease were negotiated at arms length and at market value.

The company also traded with Page & Watts Limited, a company controlled by a director. These transactions were under normal trading terms and at market price.