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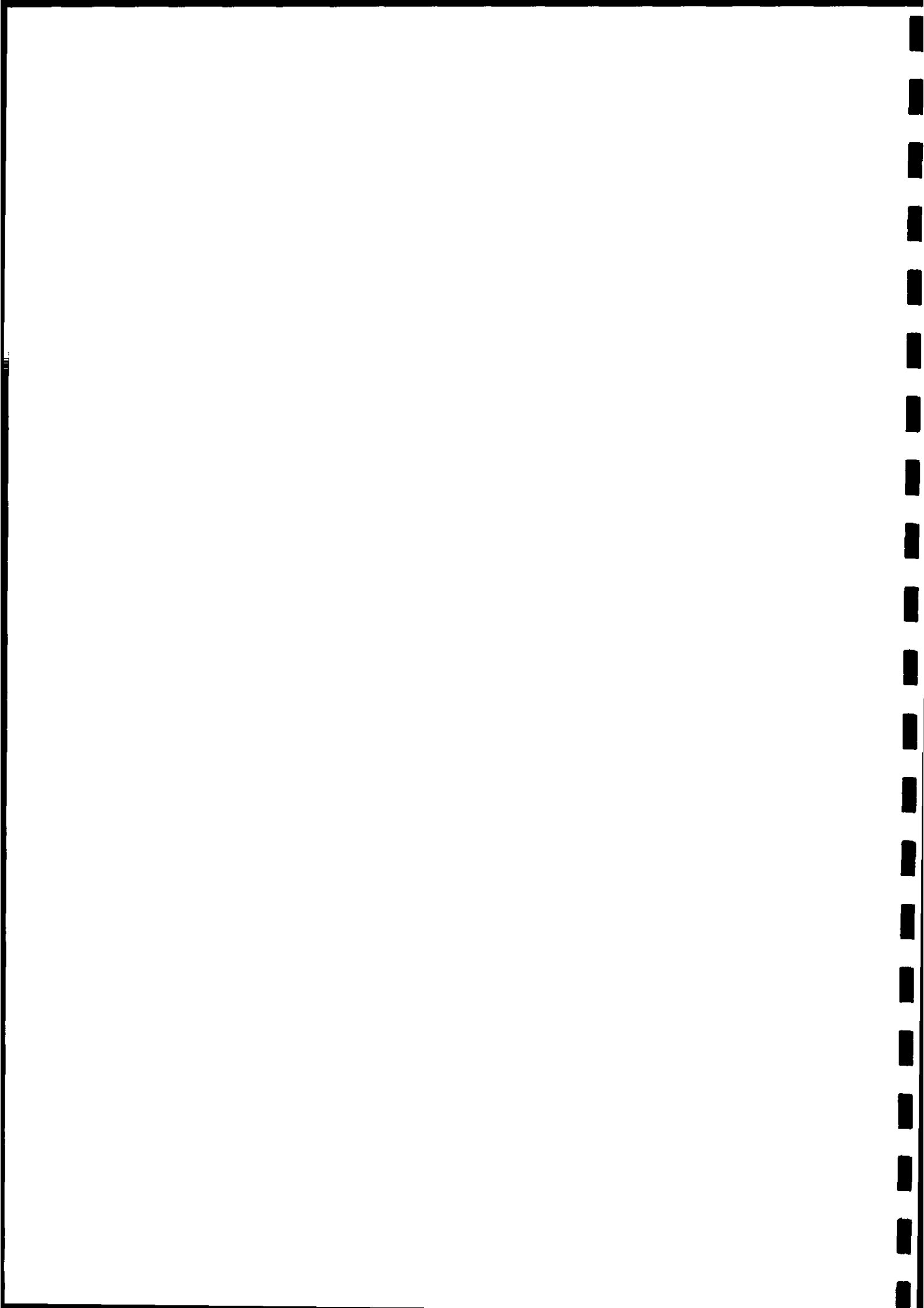
The Surrey Golf Company Limited

Report and Financial Statements

Year Ended

31 March 2000





THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

Contents

Section	Page
Directors' report	2
Auditors' report to the members of The Surrey Golf Company Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

Directors' report

The directors present their report and audited financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the operation of a golf course and ancillary activities.

The directors anticipate a return to profitability in the near future.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended payment of a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

Mr H J M Wilson	(resigned 2 August 2000)
Mr S J Price	(resigned 28 April 2000)

The following directors have been appointed since the year end:

Mr J M Fenn	(appointed 1 June 2000)
Mr M Wood	(appointed 1 May 2000)

None of the directors had any interest in the issued share capital of the company. H J M Wilson and S J Price are directors in the holding company Surrey Group PLC, and their interests in the share capital of the group are disclosed in the financial statements of that company.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

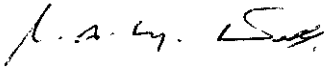
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered office:

Grant Way
Isleworth
Middlesex
TW7 5QD

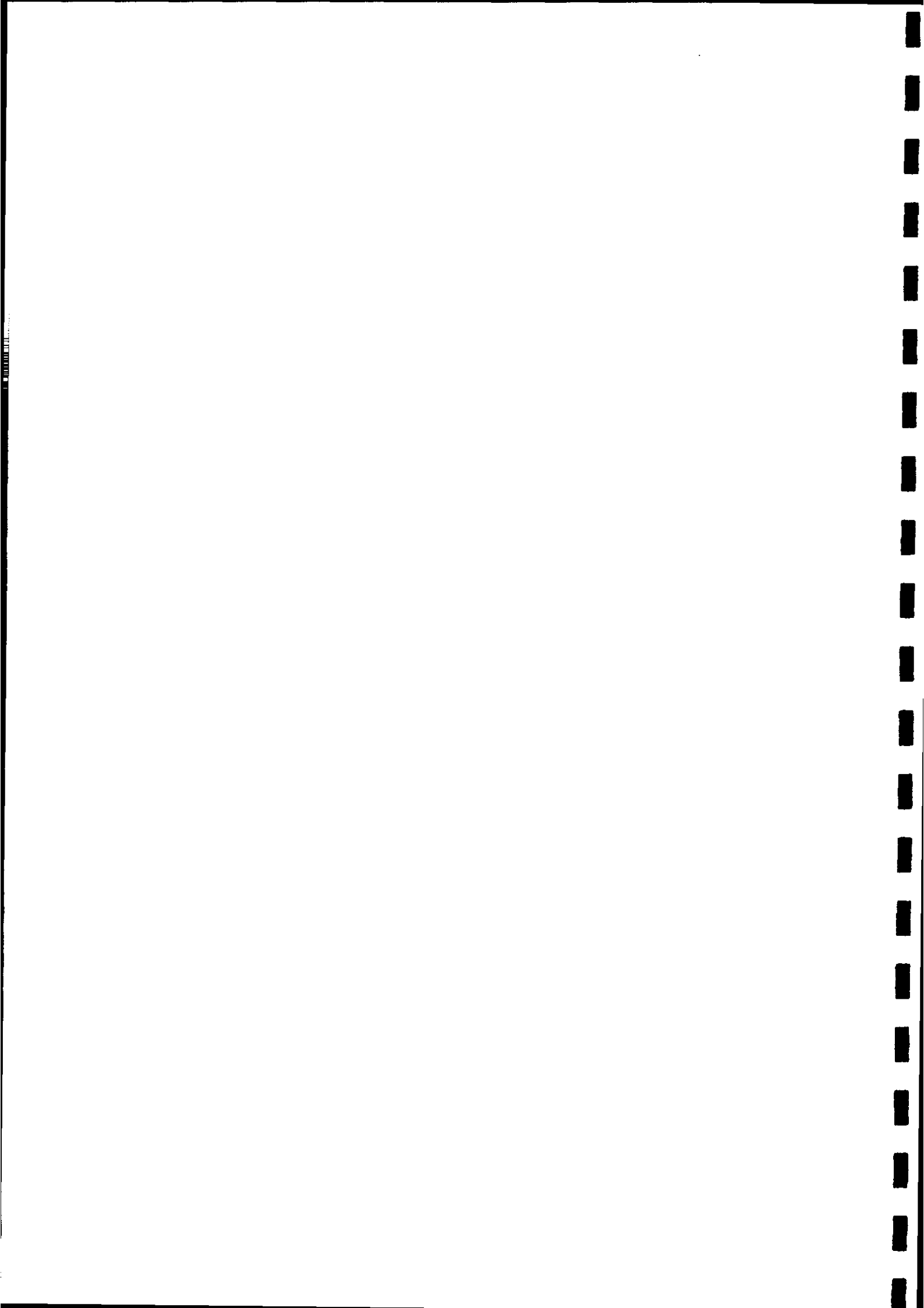
Company Registration Number 2973803

Signed by order of the Board



Director

18 December 2000



Year ended 31 March 2000

Auditors' report to the members of The Surrey Golf Company Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on pages 2 and 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
18 December 2000

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

Profit and loss account for the year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER	2	443,716	400,039
Cost of sales		<u>(94,265)</u>	<u>(208,144)</u>
GROSS PROFIT		349,451	191,895
Administrative expenses (after charging exceptional provision of £1,000,000 for the impairment of the golf course assets (note 8))		<u>(1,354,461)</u>	<u>(193,682)</u>
OPERATING LOSS	3	(1,005,010)	(1,787)
Interest payable	6	<u>(28,270)</u>	<u>(23,978)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,033,280)</u>	<u>(25,765)</u>
Taxation	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(1,033,280)	(25,765)
Balance brought forward		(16,689)	9,076
Balance carried forward		<u>(1,049,969)</u>	<u>(16,689)</u>

The company has no recognised gains or losses other than the results for the year as set out above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

All of the activities of the company are classed as continuing.

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

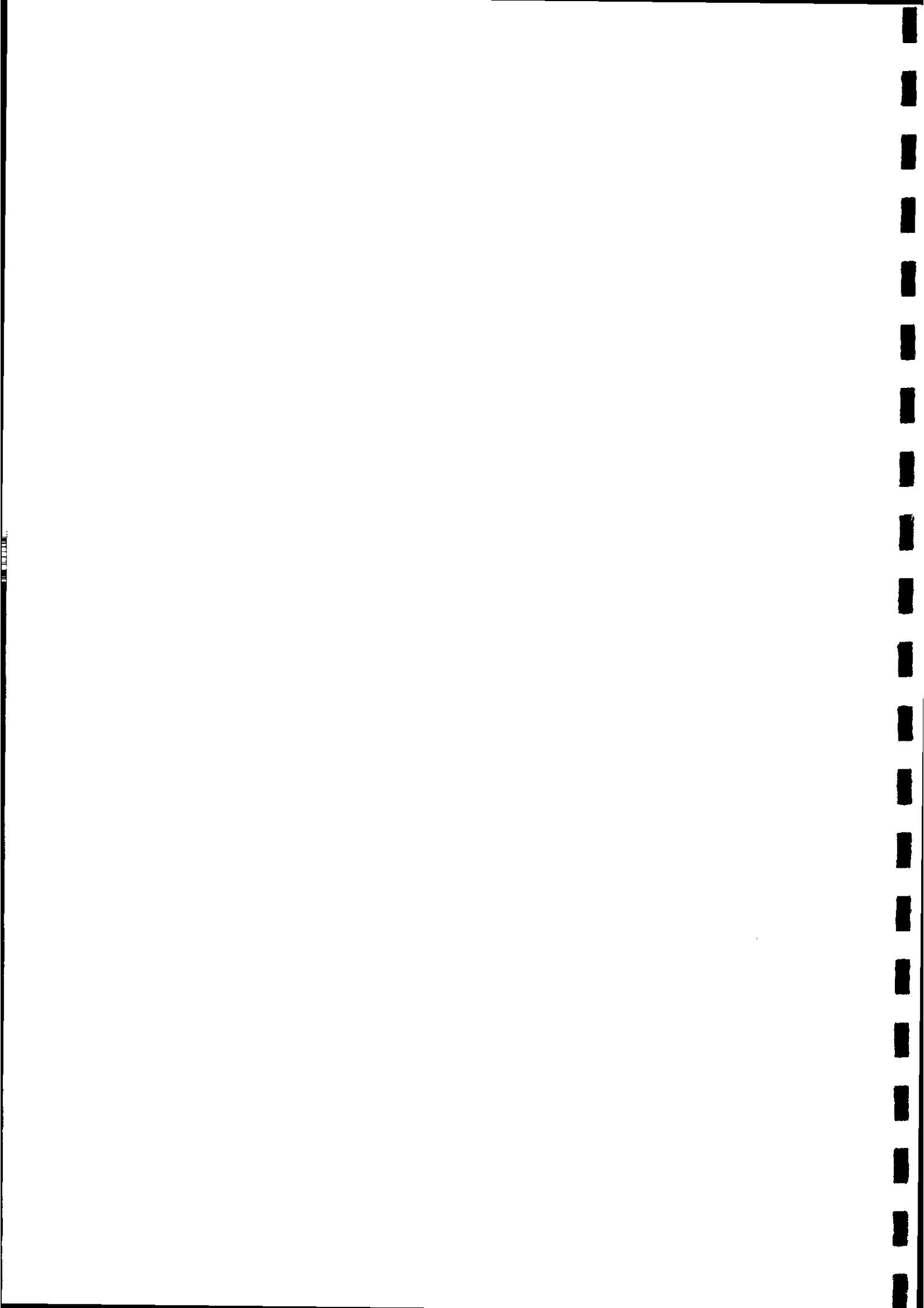
Balance sheet as at 31 March 2000

	Note	2000 £	£	1999 £	£
FIXED ASSETS					
Tangible assets	8		653,001		1,585,564
CURRENT ASSETS					
Stock	9	20,700		20,700	
Debtors	10	21,878		16,134	
Cash at bank and in hand		241		175	
		<u>42,819</u>		<u>37,009</u>	
CREDITORS: Amounts falling due within one year	11	<u>(1,714,313)</u>		<u>(1,616,551)</u>	
NET CURRENT LIABILITIES			<u>(1,671,494)</u>		<u>(1,579,542)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,018,493)		6,022
CREDITORS: Amounts falling due after more than one year	12		(31,474)		(22,709)
			<u>(1,049,967)</u>		<u>(16,687)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		2		2
Profit and loss account			(1,049,969)		(16,689)
EQUITY SHAREHOLDERS FUNDS	14		<u>(1,049,967)</u>		<u>(16,687)</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 18 December 2000 and were signed on its behalf by:

M. Wood

M Wood
Director



Notes to the financial statements for the year ended 31 March 2000**1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement and related parties

The company is a wholly owned subsidiary of Surrey Group plc and is included in the consolidated financial statements of Surrey Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Surrey Group plc group or investees of Surrey Group plc group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Golf driving range	- 25% straight line
Buildings	- 2% straight line

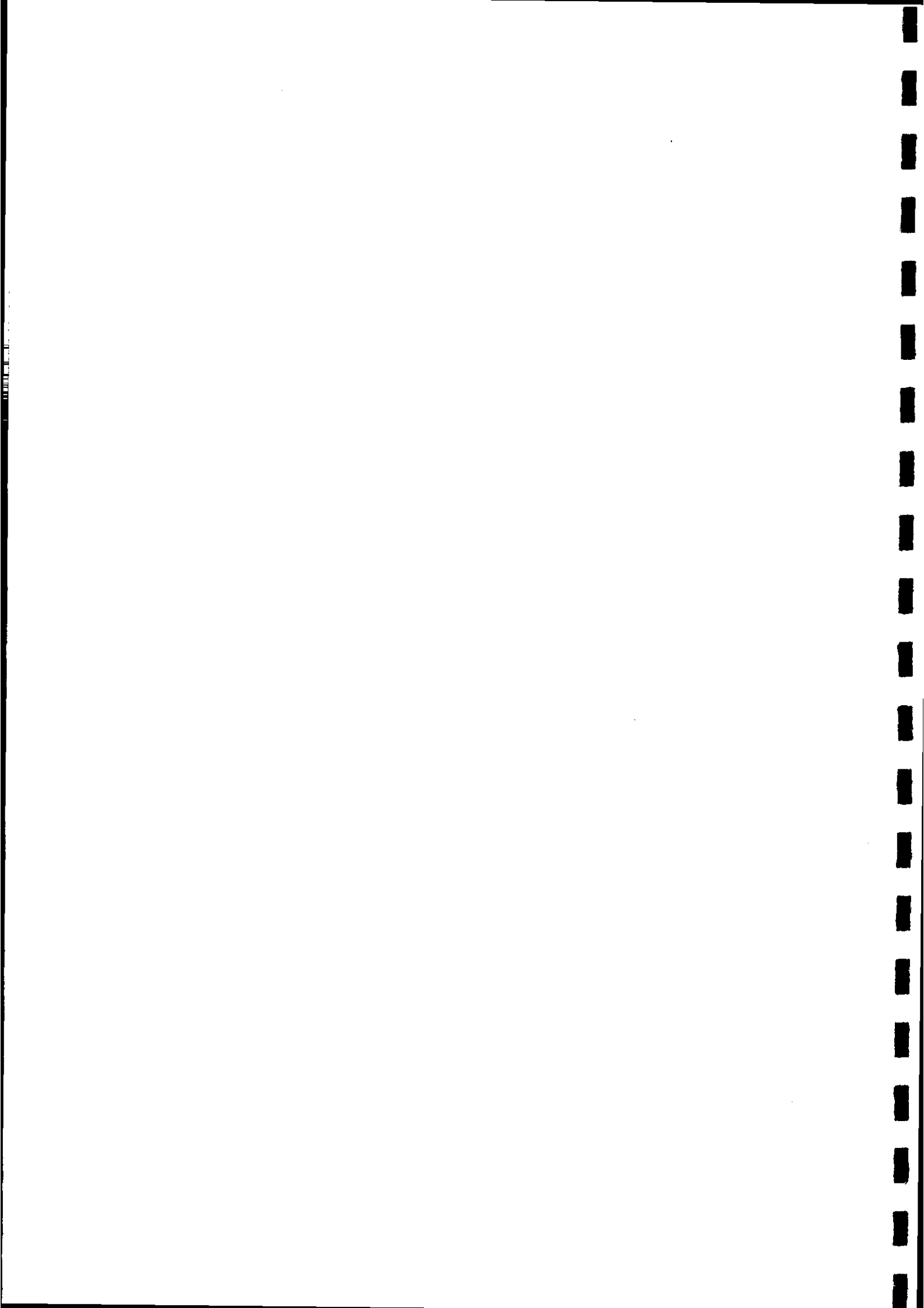
Depreciation is not provided on the freehold and long leasehold land, except the golf driving range.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Stock

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



Year ended 31 March 2000

2. TURNOVER

The turnover and pre-tax loss are all attributable to the principal activity and were all earned within the United Kingdom.

3. OPERATING LOSS

Operating loss is stated after charging:

	2000 £	1999 £
Exceptional fixed asset impairment charge	1,000,000	-
Depreciation – owned assets	38,096	31,729
Depreciation – leased assets	14,504	-

Auditor's fees are paid by a fellow subsidiary company.

The exceptional fixed asset impairment charge is explained in note 8.

4. DIRECTORS' EMOLUMENTS

No emoluments were paid during the year.

5. EMPLOYEES

Staff costs consists of:

	2000 £	1999 £
Wages and salaries	140,491	126,044
Social security costs	10,505	9,453
	<u>150,996</u>	<u>135,497</u>

The average number of employees during the year was as follows:

	2000 Number	1999 Number
Golf course management	<u>14</u>	<u>13</u>

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

6. INTEREST PAYABLE

	2000 £	1999 £
Finance lease interest	<u>28,270</u>	<u>23,978</u>

7. TAXATION

There is no taxation charge due to the losses incurred by the business.

8. TANGIBLE FIXED ASSETS

	Freehold improvements £	Motor Vehicles £	Fixtures, fittings and equipment £	Total £
COST				
At 1 April 1999	1,548,043	5,499	79,291	1,632,833
Additions	<u>74,273</u>	<u>2,500</u>	<u>43,264</u>	<u>120,037</u>
At 31 March 2000	<u>1,622,316</u>	<u>7,999</u>	<u>122,555</u>	<u>1,752,870</u>
DEPRECIATION				
At 1 April 1999	40,214	-	7,055	47,269
Charge for the year	<u>1,025,464</u>	<u>1,521</u>	<u>25,615</u>	<u>1,052,600</u>
At 31 st March 2000	<u>1,065,678</u>	<u>1,521</u>	<u>32,670</u>	<u>1,099,869</u>
NET BOOK VALUE				
At 31 March 2000	<u>556,638</u>	<u>6,478</u>	<u>89,885</u>	<u>653,001</u>
At 31 March 1999	<u>1,507,829</u>	<u>5,499</u>	<u>72,236</u>	<u>1,585,564</u>

Included within fixtures, fittings and equipment are assets held under finance leases with a cost of £61,361 (1999: £32,297) and accumulated depreciation of £13,129 (1999: £nil).

Included within motor vehicles are assets held under finance leases with a cost of £5,499 (1999: £5,499) and accumulated depreciation of £1,375 (1999: £nil).

Freehold improvements includes an exceptional impairment charge of £1,000,000 so to reduce the carrying value of the assets to their realisable amounts.

9. STOCK

	2000 £	1999 £
Finished goods	<u>20,700</u>	<u>20,700</u>

There is no material difference between the replacement cost of stock and the above figure.

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

10. DEBTORS

	2000	1999
	£	£
Trade debtors	10,878	1,733
Amounts owed by group undertakings	11,000	11,000
Other debtors and prepayments	-	3,401
	<u>21,878</u>	<u>16,134</u>

11. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdraft	261,405	257,168
Trade creditors	58,069	66,722
Amounts due to group undertakings	1,343,241	1,271,549
Other creditors	36,590	21,112
Taxation and social security	1,216	-
Obligations under finance leases	13,792	-
	<u>1,714,313</u>	<u>1,616,551</u>

The bank overdraft is secured by a fixed charge over the company's land and buildings.

12. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Obligations under finance leases	<u>31,474</u>	<u>22,079</u>

Finance leases

The finance leases are repayable by instalments as follows:

Within one year	13,792	-
Within one to two years	11,487	10,012
Within two to five years	19,987	12,697
	<u>45,266</u>	<u>22,709</u>

THE SURREY GOLF COMPANY LIMITED

Year ended 31 March 2000

13. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(1,033,280)	(25,765)
Opening shareholders' equity funds	(16,687)	9,078
Closing shareholders' equity funds	<u>(1,049,967)</u>	<u>(16,687)</u>

15. CAPITAL COMMITMENTS

	2000 £	1999 £
Contracts placed for future capital expenditure not provided in the financial statements	<u>330,000</u>	<u>-</u>

16. POST BALANCE SHEET EVENTS

On 12 July 2000 an offer by British Sky Broadcasting Group plc to acquire the entire issued share capital of Sports Internet Group plc was declared unconditional.

17. PARENT UNDERTAKING AND ULTIMATE PARENT UNDERTAKING

The company's immediate parent is Surrey Group PLC. This is the parent of the smallest group that the company belongs to. On 31 March 2000, the company's ultimate parent undertaking and controlling party was Sports Internet Group PLC, which was the parent undertaking of the largest group to consolidate these financial statements. Copies of Sports Internet Group PLC consolidated financial statements can be obtained from the company secretary at Grant Way, Isleworth, Middlesex, TW7 5QD.

The ultimate parent undertaking Sports Internet Group PLC, has confirmed that it will continue to provide financial support to enable the company to continue in its operations and to meet all of its financial obligations as they fall due.

