

Company Registration Number:2992261

Lambourne Golf Club Limited

Financial Statements

27th December 1998



LAMBOURNE GOLF CLUB LIMITED

Financial Statements

Period from 29th December 1997 to 27th December 1998

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LAMBOURNE GOLF CLUB LIMITED

Officers and Professional Advisers

The Board of Directors

J D R Weir
D C N Gray
A H Tait
H W Dixon

Company Secretary

Cargil Management Services Limited

Registered Office

22 Melton Street
London
NW1 1BW

Auditors

Cooper Lancaster Brewers
Chartered Accountants
& Registered Auditors
Aldwych House
81 Aldwych
London
WC2B 4HP

Bankers

Royal Bank of Scotland
5-10 Great Tower Street
London
EC3P 3HX

Solicitors

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

LAMBOURNE GOLF CLUB LIMITED

The Directors' Report

Period from 29th December 1997 to 27th December 1998

The directors present their report and the financial statements of the company for the period from 29th December 1997 to 27th December 1998.

Principal activities and business review

The principal activities of the company during the year under review were the provision of golf and ancillary facilities at the Lambourne Golf Club.

The directors are pleased with the results of the year and hope to improve profitability in the future.

Results and dividends

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

The directors have not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the period were as follows:

J D R Weir	
D C N Gray	(Appointed 1 May 98)
A H Tait	(Appointed 15 Apr 98)
H W Dixon	(Appointed 15 Apr 98)
M W Barton	(Resigned 21 Jan 98)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the accounts of the parent company.


Year 2000 Compliance

The directors have considered the company's position with regard to the year 2000 issue and believe that no further material costs will be incurred.

Auditors

A resolution to re-appoint Cooper Lancaster Brewers as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors


Cargill Management Services Limited
Company Secretary

Approved by the directors on 27th October 1999

LAMBOURNE GOLF CLUB LIMITED

Statement of Directors' Responsibilities

Period from 29th December 1997 to 27th December 1998

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 pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 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.

LAMBOURNE GOLF CLUB LIMITED

Auditors' Report to the Shareholders

Period from 29th December 1997 to 27th December 1998

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

Respective responsibilities of the directors and the auditors

As described on page 3, 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.

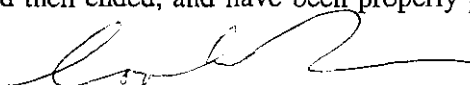
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 company's state of affairs as at 27th December 1998 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Aldwych House
81 Aldwych
London
WC2B 4HP

27th October 1999



COOPER LANCASTER BREWERS
Chartered Accountants
& Registered Auditors

LAMBOURNE GOLF CLUB LIMITED

Profit and Loss Account

Period from 29th December 1997 to 27th December 1998

		Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
	Note		
Turnover	2	1,237,701	1,288,002
Cost of sales		(228,195)	(282,598)
Gross Profit		1,009,506	1,005,404
Administrative expenses		(736,432)	(859,810)
Other operating income		11,475	-
Operating Profit	3	284,549	145,594
Interest receivable		5,349	7,922
Interest payable	6	(218,744)	(234,573)
Profit/(loss) on Ordinary Activities Before Taxation		71,154	(81,057)
Tax on profit/(loss) on ordinary activities		-	-
Retained Profit/(loss) for the Financial Period		71,154	(81,057)

The company has no recognised gains or losses other than the results for the period as set out above.

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

The notes on pages 7 to 15 form part of these financial statements.

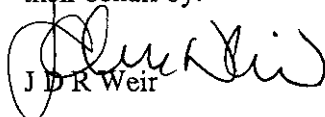
LAMBOURNE GOLF CLUB LIMITED

Balance Sheet

27th December 1998

	Note	27 Dec 98 £	28 Dec 97 £
Fixed Assets			
Tangible assets	7	5,567,569	5,574,423
Investments	8	31,390	22,630
		<u>5,598,959</u>	<u>5,597,053</u>
Current Assets			
Stocks	9	89,753	90,360
Debtors	10	558,384	437,670
Cash at bank and in hand		47,032	72,274
		<u>695,169</u>	<u>600,304</u>
Creditors: Amounts falling due within one year	11	(797,018)	(652,299)
Net Current Liabilities		<u>(101,849)</u>	<u>(51,995)</u>
Total Assets Less Current Liabilities		<u>5,497,110</u>	<u>5,545,058</u>
Creditors: Amounts falling due after more than one year	12	(5,773,750)	(5,892,852)
		<u>(276,640)</u>	<u>(347,794)</u>
Capital and Reserves			
Called-up equity share capital	17	2	2
Profit and loss account	18	(276,642)	(347,796)
Deficiency	19	<u>(276,640)</u>	<u>(347,794)</u>

These financial statements were approved by the directors on the 27th October 1999 and are signed on their behalf by:


J D R Weir

The notes on pages 7 to 15 form part of these financial statements.

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

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

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, 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:

Fixtures, Furniture & Equipment	- 10-33% Straight line
---------------------------------	------------------------

No depreciation is charged on an annual basis on freehold buildings as the company has a continuous programme for repairs and maintenance to ensure that the residual values are maintained equivalent to book values thereby rendering any depreciation charge immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finance Lease Agreements

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 in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with 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.

Operating Lease Agreements

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

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

1. Accounting policies *(continued)*

Deferred Taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
United Kingdom	<u>1,237,701</u>	<u>1,288,002</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Depreciation	64,330	48,047
Profit on disposal of fixed assets	(11,475)	-
Auditors' remuneration		
- as auditors	<u>5,000</u>	<u>-</u>

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

4. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 29 Dec 97 to 27 Dec 98 No.	Period from 1 Jan 97 to 28 Dec 97 No.
Number of administrative staff	4	4
Course maintenance and catering services	20	27
	<u>24</u>	<u>31</u>

The aggregate payroll costs of the above were:

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Wages and salaries	299,294	390,485
Social security costs	30,161	35,748
	<u>329,455</u>	<u>426,233</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Emoluments receivable	-	27,500

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

6. Interest payable

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Interest payable on bank borrowing	217,350	231,942
Finance charges	1,394	2,631
	<u>218,744</u>	<u>234,573</u>

7. Tangible fixed assets

	Freehold Property £	Fixtures, Furniture & Equipment £	Total £
Cost			
At 29th December 1997	5,339,855	417,387	5,757,242
Additions	2,065	55,411	57,476
At 27th December 1998	<u>5,341,920</u>	<u>472,798</u>	<u>5,814,718</u>
Depreciation			
At 29th December 1997	-	182,819	182,819
Charge for the period	-	64,330	64,330
At 27th December 1998	<u>-</u>	<u>247,149</u>	<u>247,149</u>
Net Book Value			
At 27th December 1998	<u>5,341,920</u>	<u>225,649</u>	<u>5,567,569</u>
At 28th December 1997	<u>5,339,855</u>	<u>234,568</u>	<u>5,574,423</u>

Finance lease and similar agreements

Included within the net book value of £5,567,569 is £20,048 (1997 - £16,049) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £10,772 (1997 - £11,726).

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

8. Investments

Debenture Redemption Savings Account (Capitalisation of debenture redemption finance costs)

	£
Cost	
At 29th December 1997	22,630
Additions	8,760
At 27th December 1998	<u>31,390</u>
Net Book Value	
At 27th December 1998	<u>31,390</u>
At 28th December 1997	<u>22,630</u>

9. Stocks

	27 Dec 98 £	28 Dec 97 £
Goods for resale	<u>89,753</u>	<u>90,360</u>

10. Debtors

	27 Dec 98 £	28 Dec 97 £
Trade debtors	31,892	30,854
Amounts owed by group undertakings	510,311	393,001
Other debtors	441	490
Prepayments and accrued income	<u>15,740</u>	<u>13,325</u>
	<u>558,384</u>	<u>437,670</u>

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

11. Creditors: Amounts falling due within one year

	27 Dec 98 £	28 Dec 97 £
Bank loans and overdrafts	112,500	112,500
Trade creditors	79,786	78,559
Amounts owed to group undertakings	78,653	11,797
Other creditors including taxation and social security:		
PAYE and social security	8,595	9,723
VAT	147,196	110,982
HP and finance leases	6,602	12,643
Other creditors	34,612	17,827
	<u>197,005</u>	<u>151,175</u>
Accruals and deferred income	329,074	298,268
	<u>797,018</u>	<u>652,299</u>

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

	27 Dec 98 £	28 Dec 97 £
Debenture loans	3,000,000	3,000,000
Bank loans and overdrafts	1,773,750	1,886,250
Amounts owed to group undertakings	1,000,000	1,000,000
Other creditors:		
HP and finance leases	-	6,602
	<u>5,773,750</u>	<u>5,892,852</u>

The bank loan is repayable by 40 quarterly payments of £28,125 and a final a payment of £1,155,000 commencing on 6th April 1995. Security has been given in the form of a first legal charge over Lambourne Golf Club Limited and over cash held on deposit.

The loan from group undertakings carries interest at such rate as is determined by the lender from time to time to cover its costs of providing the loan, and is subordinated in favour of the above bank loan. The loan is treated as an overdraft and is repayable on demand but, consistent with a postponement of the loan in favour of the bank, this is treated as a creditor due in more than 12 months.

The debentures carry no interest charges, are unsecured and are redeemable at par any time after 31st December 2030.

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

12. Creditors: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	27 Dec 98 £	28 Dec 97 £
Debenture loans	3,000,000	3,000,000
Bank loans and overdrafts	1,323,750	1,436,250
Amounts owed to group undertakings	1,000,000	1,000,000
	<u>5,323,750</u>	<u>5,436,250</u>

The following liabilities disclosed under creditors falling due after more than one year are repayable by instalments, some of which fall due for payment after more than five years from the balance sheet date:

	27 Dec 98 £	28 Dec 97 £
Bank loans and overdrafts	<u>1,773,750</u>	<u>1,886,250</u>

Of the liabilities repayable by instalments, the following are the aggregate amounts of the instalments falling due for repayment after more than five years from the balance sheet date:

	27 Dec 98 £	28 Dec 97 £
Bank loans and overdrafts	<u>1,323,750</u>	<u>1,436,250</u>

13. Commitments under hire purchase and finance lease agreements

Future commitments under hire purchase and finance lease agreements are as follows:

	27 Dec 98 £	28 Dec 97 £
Amounts payable within 1 year	6,602	12,643
Amounts payable between 1 and 2 years	-	6,602
	<u>6,602</u>	<u>19,245</u>

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

14. Commitments under operating leases

At 27th December 1998 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	27 Dec 98	28 Dec 97
	£	£
Operating leases which expire:		
Within 1 year	<u>6,850</u>	<u>3,908</u>

15. Contingencies

A balance of account cross guarantee exists between Golf Club Holdings Plc, Matchmarvel Ltd, Vale Royal Abbey Golf Club Ltd, UK Golf Ltd, South Winchester Golf Club Ltd and Lambourne Golf Club Ltd.

16. Related party transactions

The company is a wholly owned subsidiary of Golf Club Holdings Plc, a company which is quoted on the Alternative Investment Market. There is no ultimate controlling party for the group.

In accordance with the exemption stated in Financial Reporting Standard No.8 no details are shown of related party transactions with the company's parent and fellow subsidiaries in which the parent company holds 90% or more of the voting rights.

17. Share capital

Authorised share capital:

	27 Dec 98	28 Dec 97
	£	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Allotted, called up and fully paid:

	27 Dec 98	28 Dec 97
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

LAMBOURNE GOLF CLUB LIMITED

Notes to the Financial Statements

Period from 29th December 1997 to 27th December 1998

18. Profit and loss account

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Balance brought forward	(347,796)	(266,739)
Retained profit/(loss) for the financial period	<u>71,154</u>	<u>(81,057)</u>
Balance carried forward	<u>(276,642)</u>	<u>(347,796)</u>

19. Reconciliation of movements in shareholders' funds

	Period from 29 Dec 97 to 27 Dec 98 £	Period from 1 Jan 97 to 28 Dec 97 £
Profit/(Loss) for the financial period	71,154	(81,057)
Opening shareholders' equity funds	<u>(347,794)</u>	<u>(266,737)</u>
Closing shareholders' equity funds	<u>(276,640)</u>	<u>(347,794)</u>

20. Ultimate parent company

The company is a wholly owned subsidiary of Golf Club Holdings Plc.

Golf Club Holdings Plc is incorporated in Great Britain and is registered in England; the registered office is 22 Melton Street, London, NW1 2BW.

Group financial statements of Golf Club Holdings Plc are available at the registered office of the company.