

LAMBOURNE GOLF CLUB LIMITED
(FORMERLY GARDENCHARM LIMITED)

COMPANY NUMBER 2992261

REPORT AND FINANCIAL STATEMENTS FOR 1995





LAMBOURNE GOLF CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 18TH NOVEMBER, 1994 TO 31ST

DECEMBER 1995

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COMPANY INFORMATION

Directors:

D. C. M. Carter	(appointed 05.04.95)
J. D. R. Weir	(appointed 05.04.95)
P. E. Henry	(appointed 11.05.95)
Instant Companies Limited	(appointed 18.11.94 resigned 19.01.95)
I. J. Webb	(appointed 19.01.95 resigned 05.04.95)
C. H. Chibnall	(appointed 19.01.95 resigned 05.04.95)

Secretary: M. W. Barton BSc FCA

Company Number: 2992261

Registered Office: The Tytherington Club
Macclesfield
Cheshire
SK10 2JP

Registered Auditors: Grant Thornton
Chartered Accountants,
Grant Thornton House,
Melton Street,
Euston Square
London,
NW1 2EP

Bankers: Royal Bank of Scotland,
Great Tower Street Office,
5-10 Great Tower Street,
London,
EC3P 3HX

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

REPORT OF THE DIRECTORS

The Directors present their Report and the Financial Statements for the period 18th November, 1994 to 31st December, 1995.

Principal Activities and Review of the Business:

The principal activities of the Company during the period under review were the provision of golf facilities at the Lambourne Golf Club.

No significant change in activities are envisaged in the ensuing year.

The Directors are optimistic regarding the future.

Results and Dividends:

The results for the period are set out on page 5.

No dividend is proposed on the Ordinary Shares.

Fixed Assets

Full disclosure of all matters relating to fixed assets is set out in Note 8 of the Financial Statements.

Directors and their interests:

The Directors who served during the period are as stated below.

None of the Directors have any interests in the Company's Shares.

Instant Companies Ltd	(appointed 18.11.94 resigned 19.01.95)
I. J.. Webb	(appointed 19.01.95 resigned 05.04.95)
C. H. Chibnall	(appointed 19.01.95 resigned 05.04.95)
D. C. M. Carter	(appointed 05.04.95)
J. D. R. Weir	(appointed 05.04.95)
P. E. Henry	(appointed 11.05.95)

The interests of the Directors in ClubPartners International plc are disclosed in the Financial Statements of that Company.

Date of Incorporation and change of name:

The Company was incorporated on the 18th November, 1994 as Gardencharm Limited. On the 3rd February, 1995 the Company name was changed to Lambourne Golf Club Limited, and on 6th April 1995 it acquired all the assets and liabilities of Lambourne Golf Club, which were owned by Armadillo Holdings plc and commenced to trade.

Auditors:

Grant Thornton were appointed by the Directors as the Company's first auditors and have expressed their willingness to continue in office. A resolution for their appointment will be proposed at the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS

STATEMENT OF 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on a 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. They 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.

This Report was approved by the Board on 24th May, 1996

By Order of the Board

Michael W. Barton

M. W. Barton
Secretary

AUDITORS' REPORT TO THE MEMBERS OF LAMBOURNE GOLF CLUB LIMITED

We have audited the Financial Statements on pages 5 to 12, which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the Company's Directors are responsible for the preparation of 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 31st December, 1995 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
Registered Auditors
Chartered Accountants,
London.

24th May, 1996

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 18TH NOVEMBER, 1994 TO 31ST DECEMBER, 1995

	Notes	18.11.94 to 31.12.95 £
Turnover - continuing operations	1	747,733
Cost of Sales		(152,047)
Gross Profit		595,686
Administrative expenses		(524,108)
Operating Profit - continuing operations	2	71,578
Other Interest receivable and similar income	3	14,230
Interest payable and similar charges	4	(249,269)
Loss on ordinary activities before taxation		(163,461)
Taxation on loss on ordinary activities	7	-
Loss for the financial period on ordinary activities after taxation		(163,461)

There are no recognised gains and losses other than the loss for the period.

The accompanying accounting policies and notes form an integral part of these Financial Statements.

BALANCE SHEET AS AT 31ST DECEMBER, 1995

	Notes	1995 £
Assets Employed		
Fixed Assets:		
Tangible Assets	8	5,584,110
Investments	9	<u>5,110</u>
		5,589,220
Current Assets:		
Stocks	10	47,144
Debtors	11	598,076
Investments	12	100,000
Cash at bank and in hand		<u>99,373</u>
		<u>844,593</u>
TOTAL ASSETS		<u>6,433,813</u>
Creditors:		
Amounts falling due within one year	13	<u>(465,592)</u>
Net Current Assets		<u>379,001</u>
Total Assets Less Current Liabilities		<u>5,968,221</u>
FINANCED BY:		
Creditors due after more than one year	14	<u>6,131,680</u>
Capital and Reserves:		
Called up Equity Share Capital	15	2
Profit and Loss Account	16	<u>(163,461)</u>
Shareholders' funds	17	<u>(163,459)</u>
		<u>5,968,221</u>

The Financial Statements were approved by the Board on 24th May, 1996 and signed on its behalf by



D. C. M. Carter
Director

The accompanying accounting policies and notes form an integral part of these Financial Statements

PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards. These policies are set out below:

Turnover

Turnover represents the total invoice value, excluding value added tax, of charges in respect of the provision of golf facilities.

Tangible Fixed Assets and Depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

Freehold Land and Buildings	0% - See below
Plant and Machinery	10% straight line
Fixtures and fittings	10% straight line
Catering Equipment	10% straight line
Motor Vehicles	10% 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 residual values are maintained equivalent to book values thereby rendering any depreciation charge immaterial.

Deferred Taxation

Provision is made for deferred taxation using the liability method to take into account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability to taxation is unlikely to materialise.

Stocks

Stocks are valued at the lower of cost or net realisable value.

Cash Flow Statement

The Company has not presented a cash flow statement as its results are incorporated in the Group Consolidated cash flow statement of its parent Company.

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 its depreciated over its estimated useful life. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 1995

1. Turnover

The total turnover and loss before taxation of the Company for the period has been derived from the provision of golf facilities within the UK.

2. Operating Profit

1995
£

Operating Profit is stated after charging/(crediting)

Auditors' remuneration	6,000
Depreciation of tangible fixed assets	24,490
- owned	
- leased	3,315
Hire of Plant and Machinery	2,306
Staff Costs (see note 6)	304,107
Cost of financing debenture redemption reserve	5,110
Capitalisation of financing costs	(5,110)

3. Interest receivable

1995
£

Short Term deposit	
Bank Interest	14,230

4. Interest Payable

1995
£

On loans from parent undertaking	56,250
On bank loans repayable by instalments	191,150
Other	1,869

249,269

5. Remuneration of Directors

1995
£

Directors Emoluments	51,059
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Chairman	-
Highest Paid Director	51,059

Other Directors remuneration fees into the following bands:

£0 - £5,000	5
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 1995

6. Staff numbers and costs.

The average number of persons employed by the Company (including Directors) during the period, analysed by category, was as follows:-

	Number of Employees
	1995
Course	2
Administration	<u>29</u>
	<u>31</u>

The aggregate payment costs of these persons were as follows:

	1995
	£
Wages and Salaries	278,866
Social Security Costs	<u>25,241</u>
	<u>304,107</u>

7. Taxation

UK Corporation Tax on the loss for the period
on ordinary activities
Deferred Taxation

1995
£

-
-
<u>-</u>

The Company has tax losses to carry forward

8. Tangible Fixed Assets

	Freehold Land and Buildings £	Fixtures, Furniture & Equipment £	Total £
Cost			
Transferred at 6th April, 1995	5,325,510	312,235	5,637,745
Additions	6,784	51,932	58,716
Disposals	-	(20,855)	(20,855)
At 31st December, 1995	<u>5,332,294</u>	<u>343,312</u>	<u>5,675,606</u>
Depreciation:			
Transferred at 6th April, 1995	-	74,076	74,076
Charge for the period	-	27,805	27,805
On disposals	-	(10,385)	(10,385)
At 31st December, 1995	<u>-</u>	<u>91,496</u>	<u>91,496</u>
Net Book Value:			
At 31st December, 1995	<u>5,332,294</u>	<u>251,816</u>	<u>5,584,110</u>

The net book value of fixtures and equipment held under finance leases was £24,024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 1995

9. Fixed Asset Investments	1995 £
Debenture Redemption Savings Account (Capitalisation of debenture redemption finance costs)	5,110
10. Stocks	1995 £
Goods for resale:	
Golf Equipment	38,154
Bar and Sundry Stock	8,990
	47,144
11. Debtors	1995 £
Amounts due within one year	
Trade Debtors	10,081
Amounts owed by group undertakings	564,498
Other Debtors	19,758
Prepayments	3,739
	598,076
12. Investments	1995 £
50 Unsold debentures of £2,000 each	100,000
13. Creditors: amounts falling due within one year	1995 £
Bank Loan (Note 14)	112,500
Trade Creditors	28,216
Other Taxes and Social Security	57,696
Other Creditors	7,934
Accruals	95,676
Amounts owed to group undertakings	16,583
Amounts due under finance leases	9,701
Deferred income	137,286
	465,592

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 1995

14. Creditors: amounts falling due after more than one year	1995
	£
Wholly repayable by instalments	
Amounts due under finance leases	
Due between 1 -5 years	20,430
Bank Loan	
Due between 1 - 2 years	112,500
Due between 2 - 5 years	337,500
Due after 5 years	1,661,250
Wholly repayable after 5 years other than by instalments	
Loan from parent undertaking	1,000,000
Debentures	3,000,000
	£6,131,680

The bank loan is repayable by 120 monthly payments of £9,375 and a final payment of £1,155,000, commencing on 6th April, 1995. Interest is charged at LIBOR + 2.5%. 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 Company carries interest at such rate as 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 secured by a debenture which creates a floating charge over the whole of the Company's assets. 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 at any time after 31st December, 2030.

15. Called up Equity Share Capital	1995
	£
Authorised	
1,000 Ordinary Shares of £1 each	1,000
Allotted, called up and paid	
2 Ordinary Shares of £1 each	2
16. Profit and Loss Account	1995
	£
Loss for period	(163,461)
At 31st December, 1995	(163,461)
17. Reconciliation of Movements in Shareholders funds	1995
	£
Loss for the financial period	(163,461)
Share Capital issued	2
Closing shareholders funds	(163,459)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 1995

18 Contingent Liabilities

The Directors are not aware of any pending proceedings against the Company. No provision has been made in the Accounts.

19. Commitments

There were no capital commitments at 31st December, 1995.

20. Ultimate Parent Undertaking

The ultimate Parent Undertaking is European Golf Club Investment Limited which is registered in British Virgin Islands.



DETAILED ANALYSIS OF EXPENSES

	18.11.94 to 31.12.95 £
Administrative Expenses:	
Staff Costs	14,003
Management charges - re J. D. R. Weir	51,059
Wages and Salaries	253,048
	<hr/> 318,110
Laundry and Cleaning	
Cleaning and refuse	4,185
Linen Hire	5,167
	<hr/> 9,352
Legal and Professional	
Consultancy fees	9,614
Audit and Accountancy	14,105
Company Secretarial	4,500
Legal and professional	631
	<hr/> 28,850
Utilities	
Electric	15,800
Gas	2,930
Fuel	6,392
	<hr/> 25,122
Postage, Printing and Stationery	
Printing	7,265
Office Supplies	3,701
Postage	1,969
	<hr/> 12,935
Marketing and Advertising	
Marketing	20,264
Advertising	13,790
	<hr/> 34,054
Rates	19,270
Insurance	16,996
Telephone and fax	8,360

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DETAILED ANALYSIS OF EXPENSES

Maintenance	18.11.94
	to
	31.12.95
Buildings	1,388
Estate	16,850
Electrical/plumbing	8,562
Equipment and Machinery	9,356
Vehicle running costs	834
Irrigation	1,832
Sundry	1,022
	<hr/>
	39,844
Consumables	
Pro shop Consumables	321
Workshop tools	824
Other Consumables	4,220
	<hr/>
	5,365
Finance Costs	
Bank Charges	5,041
Credit Card Commission	3,719
Miscellaneous	418
Debenture redemption finance costs	5,110
Capitalisation of debenture redemption finance costs	(5,110)
	<hr/>
	9,178
Sundry Expenses	9,513
Depreciation	27,805
Profit on sale of debentures	(40,646)
	<hr/>
	524,108
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