

Company Registration No. 3132811

DGCC LIMITED
(Formerly Speedytoken Limited)

Report and Financial Statements

31 March 1997

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP



DGCC LIMITED
(Formerly Speedytoken Limited)

REPORT AND FINANCIAL STATEMENTS 1997

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DGCC LIMITED
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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Dyke
R A Webb
I Dyke
A J Walters
J Steven

SECRETARY

R A Webb

REGISTERED OFFICE

8 Sheet Street
Windsor
Berkshire
SL4 1BD

BANKERS

Bank Of Scotland
PO Box 267
38 Threadneedle Street
London

SOLICITORS

Charsley Harrison
Riding Court
Riding Court Road
Datchet
Slough
SL3 9LF

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DGCC LIMITED
(Formerly Speedytoken Limited)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 69 weeks ended 31 March 1997. This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

The company was incorporated on 30 November 1995 as Speedytoken Limited and changed its name to DGCC Limited on 9 February 1996. It commenced trading on 22 February 1996 and trades as Dartmouth Golf and Country Club.

ACTIVITIES

The principal activity of the company is the provision of golf and leisure facilities.

DIRECTORS AND THEIR INTERESTS

The membership of the Board is set out on page 1.

The directors' beneficial interests in the ordinary shares of the company at 31 March 1997 and upon incorporation or date of appointment were:

		At 31 March 1997	On incorporation or date of appointment
Swift Incorporations Limited	(appointed 30 November 1995 resigned 23 January 1996)	-	-
Instant Companies Limited	(appointed 30 November 1995 resigned 23 January 1996)	-	-
P H Jones	(appointed 20 February 1996, resigned 27 February 1996)	-	-
A J Walters	(appointed 23 January 1996 resigned 20 February 1996)	-	-
G Dyke	(appointed 22 February 1996)	375,000	225,000
R A Webb	(appointed 22 February 1996)	50,000	30,000
I Dyke	(appointed 1 August 1996)	25,000	-

AUDITORS

Deloitte & Touche were appointed as first auditors of the company. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



R A Webb
Secretary

6th October 1996

DGCC LIMITED
(Formerly Speedytoken Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- 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. 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.



Chartered Accountants

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

Telephone: National 0117 921 1622
International + 44 117 921 1622
Fax (Gp. 3): 0117 929 2801

AUDITORS' REPORT TO THE MEMBERS OF DGCC LIMITED (Formerly Speedytoken Limited)

We have audited the financial statements on pages 5 to 13 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 31 March 1997 and of its loss for the 69 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

6 October 1997

DGCC LIMITED
(Formerly Speedytoken Limited)

PROFIT AND LOSS ACCOUNT
69 weeks ended 31 March 1997

	Note	1997 £
TURNOVER: continuing operations	1	899,453
Cost of sales		(240,213)
		<hr/>
Gross profit		659,240
Administrative expenses		(636,116)
		<hr/>
OPERATING PROFIT: continuing operations		23,124
Interest payable and similar charges	3	(62,453)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(39,329)
Tax on loss on ordinary activities	5	-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD		
TRANSFERRED TO RESERVES	13	(39,329)
		<hr/>


There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account. Accordingly no Statement of total recognised gains and losses is given.

DGCC LIMITED
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BALANCE SHEET
31 March 1997

	Note	1997 £
FIXED ASSETS		
Tangible assets	6	1,571,923
CURRENT ASSETS		
Stocks	7	64,902
Debtors	8	28,644
Cash at bank and in hand		1,181
		<hr/> 94,727
CREDITORS: amounts falling due within one year		
Bank loans and overdrafts	9	687,993
Trade creditors		45,680
Other creditors including taxation and social security	10	40,339
Accruals and deferred income		41,967
		<hr/> 815,979
NET CURRENT LIABILITIES		<hr/> (721,252)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 850,671
PROVISIONS FOR LIABILITIES AND CHARGES		<hr/> -
		<hr/> 850,671
CAPITAL AND RESERVES		
Called up share capital	12,13	450,000
Share premium account	13	440,000
Profit and loss account	13	(39,329)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<hr/> 850,671

These financial statements were approved by the Board of Directors
on 6th October 1997
Signed on behalf of the Board of Directors


G Dyke
Chairman

DGCC LIMITED
(Formerly Speedytoken Limited)

NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is not provided on freehold land and buildings. On other assets depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and equipment	20% per annum
Motor vehicles	20% per annum

It is the company's policy to maintain its freehold buildings in the same condition as on acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Turnover

Turnover is the income which arises in the normal course of trading in the UK excluding VAT.

DGCC LIMITED
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NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

1997
£

Directors emoluments:

No emoluments were paid to directors during the period.

Employee costs during the period:

Wages and salaries	211,528
Social security costs	<u>13,326</u>
	<u>224,854</u>

Average number of persons employed:

Sales and distribution	36
Administration	<u>5</u>
	<u>41</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

1997
£

Bank overdraft	19,538
Other loans	42,915
	<u>62,453</u>

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

1997
£

Loss on ordinary activities before
taxation is after charging:

Rentals under operating leases	3,704
Loss on disposal of fixed assets	160
Depreciation and other amounts written off tangible and intangible fixed assets - Owned assets	55,984
Auditors' remuneration	<u>3,500</u>

DGCC LIMITED
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NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The company incurred losses during its first period of trade and accordingly no corporation tax has been provided .

6 TANGIBLE FIXED ASSETS	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
Additions	1,326,759	297,108	5,000	1,628,867
Disposals	<u>-</u>	<u>-</u>	<u>(1,200)</u>	<u>(1,200)</u>
At 31 March 1997	<u>1,326,759</u>	<u>297,108</u>	<u>3,800</u>	<u>1,627,667</u>
Accumulated depreciation				
Provisions	-	54,984	1,000	55,984
Disposals	<u>-</u>	<u>-</u>	<u>(240)</u>	<u>(240)</u>
At 31 March 1997	<u>-</u>	<u>54,984</u>	<u>760</u>	<u>55,744</u>
Net book value				
At 31 March 1997	<u>1,326,759</u>	<u>242,124</u>	<u>3,040</u>	<u>1,571,923</u>

7 STOCKS

	1997 £
Raw materials and consumables	1,791
Goods for resale	<u>63,111</u>
	<u>64,902</u>

There is no material difference between the replacement costs of stock and their balance sheet value.

8 DEBTORS

	1997 £
Other debtors	15,652
Prepayments and accrued income	<u>12,992</u>
	28,644

There are no debtors included above which are due after more than one year.

DGCC LIMITED
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NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

9. BORROWINGS

	1997 £
Bank overdraft	<u>687,993</u>

The bank overdraft is secured by a personal guarantee from Mr G Dyke, a director and by the provision by him of collateral in the form of marketable securities.

The Company has provided a cross guarantee for monies due to the Bank of Scotland by DG Operations Limited but at 31 March 1997 there were no amounts outstanding.

10. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1997 £
This heading includes:	
Taxation and social security	<u>24,109</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided 1997 £	Unprovided 1997 £
Capital allowances in excess of depreciation	5,000	-
Trading losses	<u>(5,000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

DGCC LIMITED
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NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

12. SHARE CAPITAL

	No	£
Authorised:		
Ordinary shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted and fully paid: issued in the period		
Ordinary shares of £1 each	450,000	450,000
	<u> </u>	<u> </u>

13. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Called up share capital £	Share premium account £	Profit and loss account £	Total 1997 £
Shares issued in the period	450,000	440,000	-	890,000
Loss attributable to members of the company	<u> </u> -	<u> </u> -	<u> </u> (39,329)	<u> </u> (39,329)
At the end of the period	<u> </u> 450,000	<u> </u> 440,000	<u> </u> (39,329)	<u> </u> 850,671

NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

1997
£

12,426

The company had no contingent liabilities at 31 March 1997.

At 31 March 1997 the company was committed to making the following payments during the next year in respect of operating leases:

Other
£

3,704

During the period the company traded with Vine Developments Limited a company in which Mr G Dyke and Mr R Webb are directors and shareholders. All transactions were at arms length and in the normal course of business and are detailed below:

Administrative expenses	£35,991
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In addition to the above DGCC Limited incurs items of capital expenditure on behalf of Vine Developments Limited for which it is subsequently reimbursed. There was a debit balance on £121 at the period end (see also note 18).

Mr G Dyke provided the company with a loan of £600,273 at an interest rate of 2% over base rate. The total interest payable on the loan was £42,915. No balance was outstanding at the period end.

DGCC LIMITED
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NOTES TO THE ACCOUNTS
69 weeks ended 31 March 1997

18. ACQUIRED OPERATIONS

On 22 February 1996 the company purchased the business and certain assets and liabilities from Vine Developments Limited. Consideration of £1,519,151 was payable in cash. The fair values of the assets acquired are considered to be the same as their cost. No positive or negative goodwill therefore arises.

	Book amount and Fair Value £
Fixed Assets	1,550,000
Stocks	80,000
Debtors	5,409
Cash in hand	1,300
Creditors	(117,558)
Net assets	<u>1,519,151</u>