

Wentworth Senior Masters Limited

Financial statements

For the year ended 31 December 2004

Grant Thornton 



Company No. 3357239

Company information

Company registration number	3357239
Registered office	Wentworth Drive Virginia Water Surrey GU25 4LX
Directors	S N Christie G C O'Grady J D Small A K Stubbs K R Waters
Secretary	M Bray
Bankers	Barclays Bank plc 28 George Street Luton Bedfordshire LU1 2AE
Solicitors	Harbottle and Lewis Hanover House 14 Hanover Square London W1R 0BE
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors Churchill House Chalvey Road East Slough Berkshire SL1 2LS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2004.

Principal activity

The company is principally engaged in staging and organising the Wentworth Senior Masters golf tournament.

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 a dividend.

Directors

The directors who served the company during the year (except where indicated) were as follows:

S N Christie
G C O'Grady (appointed 22 June 2004)
K D Schofield CBE (resigned 22 June 2004)
J D Small
A K Stubbs
J E Towers
K R Waters

J E Towers resigned as a director on 2 February 2005.

None of the directors had any interest in the shares of the company during the year.

Directors' responsibilities for the financial statements

United Kingdom 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 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.

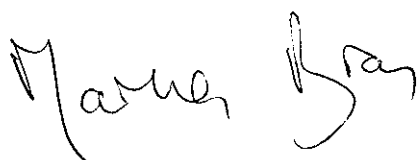
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

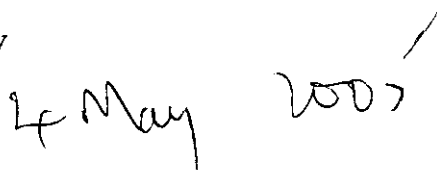
On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



M Bray
Secretary



Report of the independent auditors to the members of Wentworth Senior Masters Limited

We have audited the financial statements of Wentworth Senior Masters Limited for the year ended 31 December 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities within the report of the directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 Companies Act 1985. We also report to you if, in our opinion, the report of the directors 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 with the company is not disclosed.

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

Report of the independent auditors to the members of Wentworth Senior Masters Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

6 May 2005

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

In view of the fact that the loans used to fund the business are provided by the shareholders and that *there is no obligation for repayment except out of available surpluses*, the directors are of the view that the preparation of the financial statements on the going concern basis is appropriate. The shareholders have confirmed their intention to continue to provide financial support to the company for at least the twelve months from the date of approval of these financial statements.

The principal accounting policies of the company remain unchanged from the previous year and are set out below.

The directors have reviewed the accounting policies adopted by the company and consider them to be the most appropriate.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) 'Cash Flow Statements' from including a cash flow statement in the financial statements on the grounds that the company is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Deferred taxation

Deferred tax is recognised on all timing differences where transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Profit and loss account

	Note	2004 £	2003 £
Turnover	1	320,085	289,477
Cost of sales		(424,886)	(419,099)
Gross loss		(104,801)	(129,622)
Other operating charges	2	(4,912)	(3,488)
Operating loss	3	(109,713)	(133,110)
Interest receivable and similar income	5	708	359
Loss on ordinary activities before taxation		(109,005)	(132,751)
Tax on loss on ordinary activities	6	4,329	-
Loss for the financial year		(104,676)	(132,751)
Balance brought forward		(760,406)	(627,655)
Balance carried forward		<u>(865,082)</u>	<u>(760,406)</u>

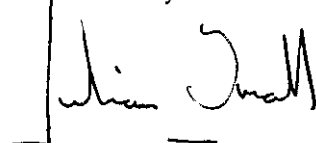
All of the activities of the company are classed as continuing.

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

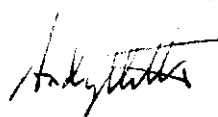
Balance sheet

	Note	2004 £	2003 £
Current assets			
Debtors	7	12,375	41,197
Cash at bank		7,887	11,439
		<u>20,262</u>	<u>52,636</u>
Creditors: amounts falling due within one year	8	(114,091)	(41,789)
Net current (liabilities)/assets		<u>(93,829)</u>	<u>10,847</u>
Total assets less current liabilities		<u>(93,829)</u>	<u>10,847</u>
Creditors: amounts falling due after more than one year	9	(771,251)	(771,251)
Net liabilities		<u>(865,080)</u>	<u>(760,404)</u>
Capital and reserves			
Called-up equity share capital	10	2	2
Profit and loss account	11	(865,082)	(760,406)
Shareholders' equity deficit	12	<u>(865,080)</u>	<u>(760,404)</u>

These financial statements were approved by the directors on 4th May 2005 and are signed on their behalf by:



J D Small
Director



A K Stubbs
Director

Notes to financial statements

1 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities before taxation are attributable to the principal activity described in the report of directors and derived entirely from within the United Kingdom.

2 Other operating charges

	2004 £	2003 £
Administrative expenses	<u>4,912</u>	<u>3,488</u>

3 Operating loss

Operating loss is stated after charging:

	2004 £	2003 £
Auditors' remuneration: Audit fees	<u>2,200</u>	<u>2,100</u>

4 Directors and employees

The company had no employees (2003: none) during the year other than the directors. No director received any remuneration (2003: £nil) for their services to the company.

5 Interest receivable and similar income

	2004 £	2003 £
Bank interest receivable	<u>708</u>	<u>359</u>

6 Taxation on loss on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003: 30%)

	2004 £	2003 £
Loss on ordinary activities before taxation	(109,005)	(132,751)
Loss on ordinary activities multiplied by the standard rate of corporation tax	(32,701)	(39,825)
Effect of:		
Expenses not deductible for tax purposes	224	-
Tax losses carried forward	28,148	39,825
Total current tax	(4,329)	-

Unrelieved tax losses of £593,000 (2003: £495,000) remain available to offset against future trading profits.

7 Debtors

	2004 £	2003 £
Trade debtors	2,938	-
Amounts owed by related undertakings	972	27,584
Other debtors	8,465	13,613
	<u>12,375</u>	<u>41,197</u>

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	-	705
Amounts owed to related undertakings	97,391	36,959
Accruals and deferred income	16,700	4,125
	<u>114,091</u>	<u>41,789</u>

9 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Loans from related undertakings	<u>771,251</u>	<u>771,251</u>

10 Share capital

Authorised share capital:

	2004 £	2003 £
500 'A' Ordinary shares of £1 each	500	500
500 'B' Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
'A' Ordinary shares of £1 each	1	1	1	1
'B' Ordinary shares of £1 each	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Both the 'A' and 'B' Ordinary shareholders have the right to elect their own representatives onto the Board of Directors. Apart from this the 'A' and 'B' Ordinary shares are identical and rank pari passu in all respects.

11 Profit and loss account

	2004 £	2003 £
Balance brought forward	(760,406)	(627,655)
Loss for the financial year	(104,676)	(132,751)
Balance carried forward	<u>(865,082)</u>	<u>(760,406)</u>

12 Reconciliation of movements in shareholders' equity deficit

	2004 £	2003 £
Loss for the financial year	(104,676)	(132,751)
Opening shareholders' equity deficit	(760,404)	(627,653)
Closing shareholders' equity deficit	<u>(865,080)</u>	<u>(760,404)</u>

13 Capital commitments

The company had no capital commitments at 31 December 2004 or 31 December 2003.

14 Contingent liabilities

There were no contingent liabilities at 31 December 2004 or 31 December 2003.

15 Related party transactions

Wentworth Senior Masters Limited is a joint venture between PGA European Tour and Wentworth Club Limited. The company is controlled by its Board of Directors. PGA European Tour Productions Limited is a joint venture between PGA European Tour and a non-related company.

During the year the company entered into transactions with its joint venture partners and PGA European Tour Productions Limited on normal commercial terms, which are classified as related party transactions under the definitions given in Financial Reporting Standard No. 8 'Related Party Transactions', except for the fact that payment is made only when sufficient funds are available.

The aggregate amount of such transactions entered into during the year by type of transaction was as follows:

	Sales to related parties 2004 £	Sales to related parties 2003 £	Purchases from related parties 2004 £	Purchases from related parties 2003 £
PGA European Tour	21,770	779	367,395	325,265
Wentworth Club Limited	-	-	37,819	37,763
PGA European Tour Productions Limited	-	-	12,500	-

Balances due by and to and from related parties at 31 December 2004 and 31 December 2003 are shown in notes 7 to 9. None of these balances incur interest.