

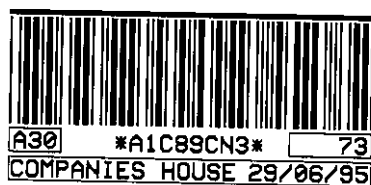
**PGA EUROPEAN TOUR PROPERTIES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1994

Registered No: 2257246



PGA EUROPEAN TOUR PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

Company Registered Number: 2257246

Registered Office: Wentworth Drive
Virginia Water
Surrey
GU25 4LX

Directors: N C Coles MBE
A Gallardo
B Gallacher
R G Hills
T A Horton
M G King
J E O'Leary
Sir Neil Macfarlane
G C O'Grady
K D Schofield
P M P Townsend
M D Friend (appointed 29 March 1994)

Secretary: M Bray

Bankers: Barclays Bank plc
George Street Branch
28 George Street
Luton
LU1 2AE

Solicitors: Keene Marsland
24 Curzon Street
London
W1Y 7AE

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
London

PGA EUROPEAN TOUR PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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PGA EUROPEAN TOUR PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1994.

Principal activity

The company is principally engaged in the investment in, design and management of golf courses, club houses and associated facilities.

Review of the period

The loss for the year after taxation amounted to £17,252 (1993 £80,418). In view of the deficit the directors do not recommend payment of a dividend and the loss has been transferred from reserves.

Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year.

N C Coles MBE (Chairman)
A Gallardo
B Gallacher
R G Hills
T A Horton
M G King
J E O'Leary
Sir Neil Macfarlane
G C O'Grady
K D Schofield
P M P Townsend
M D Friend (appointed 29 March 1994)

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

Directors' responsibilities for the financial statements

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:

- i select suitable accounting policies and then apply them consistently
- ii make judgements and estimates that are reasonable and prudent

PGA EUROPEAN TOUR PROPERTIES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' responsibilities for the financial statements (continued)

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

Grant Thornton 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 AUDITORS TO THE MEMBERS OF

PGA EUROPEAN TOUR PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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 at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON

18 April 1995

PGA EUROPEAN TOUR PROPERTIES LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1994

The financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards.

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

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for services provided excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives.

Rates generally applicable are:

Fixtures and fittings	15% - 25%
Computer equipment	25%

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements.

Deferred tax is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Deferred tax is calculated at the rate at which it is estimated that the tax will be paid when the timing differences reverse.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

PGA EUROPEAN TOUR PROPERTIES LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1994

Contribution to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased assets

All leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

PGA EUROPEAN TOUR PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
Turnover	1	50,000	114,612
Administrative expenses		<u>(67,408)</u>	<u>(232,209)</u>
Operating loss		(17,408)	(117,597)
Other interest receivable and similar income		<u>156</u>	<u>175</u>
Loss on ordinary activities before taxation	1	(17,252)	(117,422)
Tax on loss on ordinary activities	3	<u>-</u>	<u>37,004</u>
Loss for the financial year transferred from reserves	10	<u>£(17,252)</u>	<u>£(80,418)</u>

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

PGA EUROPEAN TOUR PROPERTIES LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	£	1994 £	£	1993 £
Fixed assets					
Tangible assets	4		1,180		2,732
Current assets					
Debtors	5	278,910		191,345	
Cash at bank and in hand		792		2,192	
		<u>279,702</u>		<u>193,537</u>	
Creditors: amounts falling due within one year	6	(951,883)		(850,018)	
Net current liabilities			(672,181)		(656,481)
Total assets less current liabilities			(671,001)		(653,749)
Creditors: amounts falling due after more than one year	7		(49,000)		(49,000)
			<u>£(720,001)</u>		<u>£(702,749)</u>
Capital and reserves					
Called-up share capital	8		1,000		1,000
Profit and loss account	9		(721,001)		(703,749)
Shareholders' funds	10		<u>£(720,001)</u>		<u>£(702,749)</u>

The financial statements were approved by the Board of Directors on
18th April 1995.

N C COLES)

A GALLARDO)

) DIRECTORS

The accompanying accounting policies and notes form an integral part of these financial statements.

PGA EUROPEAN TOUR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

1 Turnover and loss on ordinary activities before taxation

The turnover and loss before taxation are attributable to the investment in, design and management of golf courses, club houses and associated facilities.

The loss on ordinary activities is stated after:

	1994 £	1993 £
Depreciation	1,662	1,957
Auditors' remuneration:		
Audit	700	1,550
Non audit fees	<u>1,170</u>	<u>-</u>

2 Staff costs

	1994 £	1993 £
Wages and salaries	-	79,006
Social security costs	-	8,340
Other pension costs	-	<u>10,106</u>
	<u>£ -</u>	<u>£97,452</u>

The average number of employees of the company during the year was 0 (1993 3).

Remuneration in respect of directors was payable as follows:

	1994 £	1993 £
Management remuneration	<u>55,314</u>	<u>139,956</u>

The emoluments of the directors, excluding pension contributions, were as follows:

	1994	1993
The chairman and highest paid director	<u>£50,314</u>	<u>£57,748</u>
The highest paid director	<u>£ -</u>	<u>£63,291</u>

PGA EUROPEAN TOUR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

2 Staff costs (continued)

	Number	Number
Other directors	11	8
£0 to £5,000	-	1
£10,001 to £15,000	<u>==</u>	<u>==</u>

3 Tax on loss on ordinary activities

The tax credit is based on the loss for the year and represents:

	1994 £	1993 £
Group relief	-	36,565
Adjustments in respect of prior period	-	439
	<u>£ -</u>	<u>£37,004</u>

4 Tangible fixed asset

	Total £	Computer equipment £	Fixtures & fittings £
Cost			
At 1 January 1994	8,889	7,142	1,747
Additions	110	110	-
At 31 December 1994	<u>8,999</u>	<u>7,252</u>	<u>1,747</u>
Depreciation			
At 1 January 1994	6,157	4,894	1,263
Provided in the year	1,662	1,396	266
At 31 December 1994	<u>7,819</u>	<u>6,290</u>	<u>1,529</u>
Net book amount			
At 31 December 1994	<u>£1,180</u>	<u>£962</u>	<u>£218</u>
Net book amount			
At 31 December 1993	<u>£2,732</u>	<u>£2,248</u>	<u>£484</u>

PGA EUROPEAN TOUR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

5 Debtors	1994 £	1993 £
Trade debtors	62	7,707
Amounts owed by fellow subsidiary undertakings	189,573	139,573
Amounts owed by associated undertakings	88,985	43,351
Prepayments and accrued income	290	714
	<u>£278,910</u>	<u>£191,345</u>

6 Creditors: amounts falling due within one year	1994 £	1993 £
Trade creditors	-	2,715
Amounts owed to parent undertaking	592,544	540,669
Amounts owed to fellow subsidiary undertakings	357,883	299,722
Social security and other taxes	656	3,168
Accruals and deferred income	800	3,744
	<u>£951,883</u>	<u>£850,018</u>

7 Creditors: amounts falling due after more than one year	1994	1993
Debenture loan		
Repayable otherwise than by instalments after more than five years		
12% debenture 1993/2002	<u>£49,000</u>	<u>£49,000</u>

The loan stock was issued on 24 May 1989 and is redeemable between 1993 and 2002. Interest due for the year ended 31 December 1994 has been waived.

8 Called-up share capital	1994 and 1993
Authorised	
1,000 ordinary shares of £1 each	<u>£1,000,000</u>
Allotted called-up and fully paid	
1,000 ordinary shares of £1 each	<u>£1,000</u>

PGA EUROPEAN TOUR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

9 Profit and loss account	1994 £	1993 £
As at 1 January 1994	(703,749)	(623,331)
Loss for the year	(17,252)	(80,418)
As at 31 December 1994	<u>£(721,001)</u>	<u>£(703,749)</u>

10 Reconciliation of movement in shareholders' funds	1994 £	1993 £
Loss for year and net movement in shareholders' funds	(17,252)	(80,418)
Shareholders' funds at 1 January 1994	<u>(702,749)</u>	<u>(622,331)</u>
Shareholders' funds at 31 December 1994	<u>£(720,001)</u>	<u>£(702,749)</u>

11 Material interests in transactions or arrangements

Name of director	Nature of interest	Value of transaction £
N C Coles	Provision of golf architectural services	50,000

12 Capital commitments

The company had no capital commitments at 31 December 1994 or 31 December 1993.

13 Contingent liabilities

There were no contingent liabilities at 31 December 1994 or 31 December 1993.

14 Ultimate parent undertaking

The ultimate parent undertaking is PGA European Tour (a company limited by guarantee) which is registered in England and Wales. Copies of the group accounts can be obtained from Wentworth Drive, Virginia Water, Surrey GU25 4LX.