

**DIRECTORS' REPORT AND ACCOUNTS**

**HEVER CASTLE GOLF CLUB LTD**

**30 September 2006**

**COMPANY REGISTRATION**

**England 2677760**



# HEVER CASTLE GOLF CLUB LIMITED

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## Financial statements

for the year ended 30 September 2006

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### Registered office

137 Scalby Road  
Scarborough  
North Yorkshire  
YO12 6TB

### Directors

J Guthrie  
R A Pullin (resigned 31 August 2006)  
D A James (resigned 31 August 2006)  
P J Guthrie  
R Guthrie  
M Robson  
M J Harrison  
D Leslie (appointed 10 January 2007)

### Secretary

B P Swiers

### Registered auditors

Moore Stephens  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

### Bankers

The Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

### Company registration

England 2677760

## Directors' report

for the year ended 30 September 2006

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The directors present their report and the financial statements for the year ended 30 September 2006

### Principal activity and business review

The principal activities of the company during the period have been the operating of catering and leisure facilities

Following the retirement of Mr R. A Pullin, Mr D Leslie has been appointed as Chief Executive to manage the day to day affairs of the company

The directors consider that the company has no risks or uncertainties which may materially affect the company in the foreseeable future

The directors report a loss for the year of £37,603 and the position of the company at the year end is reflected in the financial statements

During the period, the directors have carried out a detailed review of the operations and facilities provided by the company and are optimistic that changes being implemented as a result will continue to benefit the company and the playing members

### Results and dividends

The profit and loss account reflects a loss for the year of £37,603 (2005 - loss £99,322)

The directors do not recommend the payment of a dividend

### Directors and their interests

The directors named served during the period The interests of Mr J Guthrie, Mr P J Guthrie, Mr R Guthrie, Mr M J Harrison and Mr M Robson are disclosed in the directors' report of Broadland Properties Limited

### Elective resolutions

The shareholders have passed elective resolutions dispensing with the requirement to hold an annual general meeting and to lay the accounts before an annual general meeting Nevertheless the directors would like to remind the shareholders that any shareholder has the right to call for the accounts to be laid before a meeting of the shareholders and this right may be exercised by notice in writing to the company's registered office within 28 days of receipt of the accounts

### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and 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 ,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

## Directors' report continued

for the year ended 30 September 2006

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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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware and,
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the Board on 29th March 2007 and signed on its behalf by

B P Swiers  
Secretary



# **HEVER CASTLE GOLF CLUB LIMITED**

## **Independent Auditors' Report to the Shareholders of Hever Castle Golf Club Limited**

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We have audited the financial statements of Hever Castle Golf Club Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 directors' report 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 other transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# HEVER CASTLE GOLF CLUB LIMITED

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## Independent Auditors' Report to the Shareholders of Hever Castle Golf Club Limited - continued

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### Opinion

#### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements



MOORE STEPHENS  
Registered Auditors  
Chartered Accountants  
29th March 2007

12-13 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

# HEVER CASTLE GOLF CLUB LIMITED

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## Profit & loss account

for the year ended 30 September 2006

		2006 £	2005 £
Turnover - continuing operations	1	1,295,283	1,288,312
Cost of sales		(912,245)	(935,462)
Gross profit		<u>383,038</u>	<u>352,850</u>
Administrative expenses		(422,107)	(454,178)
Operating loss - continuing operations	2	<u>(39,069)</u>	<u>(101,328)</u>
Interest receivable and similar income		1,466	2,006
Interest payable and similar charges	10	-	-
Loss on ordinary activities before taxation		<u>(37,603)</u>	<u>(99,322)</u>
Taxation on loss on ordinary activities	3	-	-
Loss for the year after taxation	11	<u><u>(37,603)</u></u>	<u><u>(99,322)</u></u>

There were no recognised gains or losses other than the profit or loss for the above two financial periods

# HEVER CASTLE GOLF CLUB LIMITED

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## Balance sheet

as at 30 September 2006

		2006		2005
		£	£	£
<b>Fixed assets</b>				
Tangible assets	5	4,511,604		4,532,755
<b>Current assets</b>				
Stocks	6	83,316		99,275
Debtors	7	65,385		122,098
Cash at bank & in hand		79,224		84,000
		<u>227,925</u>		<u>305,373</u>
<b>Creditors</b>				
Amounts falling due within one year	8	<u>(355,216)</u>		<u>(386,212)</u>
<b>Net current liabilities</b>			<u>(127,291)</u>	<u>(80,839)</u>
<b>Total assets less current liabilities</b>		4,384,313		4,451,916
<b>Creditors</b>				
Amounts falling due after more than one year	9	(2,490,000)		(2,520,000)
<b>Provision for Liabilities</b>				
Deferred taxation	4	0		-
		<u>1,894,313</u>		<u>1,931,916</u>
<b>Capital and reserves</b>				
Called up share capital	10	3,511,758		3,511,758
Profit and loss account	11	(1,617,445)		(1,579,842)
<b>Equity shareholders funds</b>		<u>1,894,313</u>		<u>1,931,916</u>

The financial statements were approved by the board of directors on 29th March 2007

  
J Guthrie  
DIRECTOR



## Notes to the accounts

for the year ended 30 September 2006

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### 1. Accounting policies

#### a) Accounting convention:

These accounts have been prepared in accordance with applicable accounting standards under the historical cost convention, adopting the following principal accounting policies

#### (b) Turnover:

Turnover comprises goods and services supplied net of value added tax

#### (c) Stock:

Stock is valued at the lower of cost and net realisable value.

#### (d) Deferred Taxation:

The company has applied FRS19 in accounting for deferred taxation. The general principle is that deferred tax is recognised as a liability or asset if the transactions or events that give an obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date, although deferred tax is not provided on timing differences arising when a fixed asset is revalued without there being any commitment to sell the asset

#### (e) Leases:

Assets acquired under finance lease agreements, including hire purchase agreements are capitalised and the corresponding liability is included in creditors. Finance lease interest is charged to the profit and loss account on a straight line basis over the period of the agreement. Operating lease rentals are charged to the profit and loss account of the period to which they relate

#### (f) Depreciation:

Depreciation on the fixed assets of the company has been provided as follows

Freehold land	- 0%
Freehold buildings	- 2.0% per annum on a straight line basis
Plant and machinery	- 20% per annum on a reducing balance basis
Fixtures, fittings, tools and equipment	- 20% per annum on a reducing balance basis
Computer equipment	- 25% per annum on a straight line basis
Motor vehicles	- 25% per annum on a reducing balance basis

#### (g) Going concern

The financial statements for the year ended 30 September 2006 have been prepared on a going concern basis on the strength of confirmation from the parent company that it will continue to provide financial support

# HEVER CASTLE GOLF CLUB LIMITED

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## Notes to the accounts

for the year ended 30 September 2006

### 2. Operating loss is stated after charging

	2006	2005
	£	£
Depreciation	73,323	82,878
Operating lease rentals		
- plant & machinery	20,560	24,260
Auditors' remuneration - audit fees	8,580	6,700
(Profit)/loss on sale of assets	2,576	4,528

### 3. Taxation

#### Analysis of tax charge in the year

	2006	2005
	£	£
<b>Current tax</b>		
UK corporation tax on profits of the year	-	-
Adjustments in respect of previous periods	-	-
<b>Total current tax</b>	-	-

#### Deferred tax

Origination and reversal of timing differences	-	-
Effect of increased tax rate on opening liability	-	-
<b>Total deferred tax</b>	-	-

#### Tax on profit on ordinary activities

	-	-
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#### Factors affecting the tax charge for the year

Loss on ordinary activities before tax	(37,603)	(99,322)
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Loss on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 30% (2005 - 30%)	(11,281)	(29,797)
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#### Effects of

Group relief at 0%	8,454	25,439
Depreciation on property	3,653	3,615
Capital allowances (in excess of)/less than depreciation	(826)	-
Unprovided deferred tax asset	-	743

#### Current tax charge for the year

	-	-
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## Notes to the accounts

for the year ended 30 September 2006

### 4. Deferred taxation

The full potential liability and amount provided in the accounts relating to deferred taxation, assuming a tax rate of 30% (2005 - 30%) arises from the following timing differences between the tax computations and accounts

	Full potential amounts		Of which dealt with in the accounts	
	2006	2005	2006	2005
	£	£	£	£
Accelerated capital allowances	10,980	10,706	10,980	10,706
Losses carried forward	(13,402)	(13,402)	(10,980)	(10,706)
	(2,422)	(2,696)	-	-

### Analysis of movement:

	2006
	£
Balance as at 30 September 2005	-
Deferred tax charge for the year	-
Balance as at 30 September 2006	-

### 5. Tangible assets

	Freehold land & buildings	Fixtures, fittings, tools & equipment	Plant & machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 30 September 2005	4,397,292	311,270	455,799	14,934	5,179,295
Additions	9,009	10,030	35,710	-	54,748
Disposals	-	(11,000)	(20,059)	-	(31,059)
As at 30 September 2006	4,406,301	310,300	471,450	14,934	5,202,984

### Depreciation

As at 30 September 2005	115,765	219,434	298,754	12,587	646,540
Now provided	12,243	20,362	40,131	587	73,323
Disposals	-	(10,227)	(18,256)	-	(28,483)
As at 30 September 2006	128,008	229,569	320,629	13,174	691,380

### Net book value

As at 30 September 2005	4,281,527	91,836	157,045	2,347	4,532,755
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### Net book value

As at 30 September 2006	4,278,293	80,731	150,821	1,760	4,511,604
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**Notes to the accounts****for the year ended 30 September 2006****6. Stocks**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	16,832	26,506
Finished goods and goods for resale	66,484	72,769
	<u>83,316</u>	<u>99,275</u>

**7. Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	25,426	47,985
Amounts owed by group undertakings	3,046	-
Other debtors	-	27,395
Prepayments and accrued income	36,913	46,718
	<u>65,385</u>	<u>122,098</u>

**8. Creditors - amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	68,271	95,599
Amounts owed to group undertakings	11,430	23,768
Other taxation and social security	53,287	45,821
Other creditors	41,574	45,521
Accruals and deferred income	180,654	175,503
	<u>355,216</u>	<u>386,212</u>

**9. Creditors - amounts falling due after more than one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts owed to ultimate parent company	2,490,000	2,520,000
	<u>2,490,000</u>	<u>2,520,000</u>

Amounts owed to group companies are interest free and have no specific repayment terms and may therefore be due after more than one year

# HEVER CASTLE GOLF CLUB LIMITED

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## Notes to the accounts

for the year ended 30 September 2006

### 10. Share capital

	No.	2006 £	2005 £
<b>Authorised:</b>			
Ordinary shares of £1 each	4,193,818	4,193,818	4,193,818
		<u>4,193,818</u>	<u>4,193,818</u>
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	3,511,758	3,511,758	3,511,758
<b>Total called up share capital</b>		<u>3,511,758</u>	<u>3,511,758</u>

### 11. Reserves

	Profit and loss account £
As at 30 September 2005	(1,579,842)
Loss for the year after taxation	(37,603)
As at 30 September 2006	<u>(1,617,445)</u>

## Notes to the accounts

for the year ended 30 September 2006

### 12. Reconciliation of movement in shareholders' funds

	2006	2005
	£	£
Loss for the financial year	(37,603)	(99,322)
New share capital subscribed	-	-
Net reduction in shareholders funds	(37,603)	(99,322)
Opening shareholders funds	1,931,916	2,031,238
Closing shareholders funds	<u>1,894,313</u>	<u>1,931,916</u>

### 13. Operating lease commitments

At the year end the company had annual commitments under operating leases as set out below

	2006	2005
	£	£
Other operating leases which expire within one year	-	1,380
Other operating leases which expire within one to two years	7,240	-
Other operating leases which expire within two to five years	13,440	23,696
	<u>20,680</u>	<u>25,076</u>

### 14. Capital commitments

	2006	2005
	£	£
Contracted for but not provided for in the accounts	<u>-</u>	<u>-</u>

### 15. Related party transactions

Advantage is taken of the exemption in Financial Reporting Standard number 8 "Related Party Disclosures" from the requirement to separately disclose transactions with group companies

### 16. Employees

The average number of personnel employed by the company, including directors, during the year was

	2006	2005
	No.	No.
Sales	21	22
Maintenance & upkeep	1	1
Administration	10	10
	<u>32</u>	<u>33</u>

### Costs incurred were

	2006	2005
	£	£
Wages and salaries	493,523	508,600
Social security costs	38,017	39,908
Other pension costs	-	-
	<u>531,540</u>	<u>548,508</u>

### Directors' emoluments

	2006	2005
	£	£
	<u>-</u>	<u>-</u>

### 17. Ultimate parent company

The accounts of this company are included in the consolidated accounts of Broadland Properties Limited, which is regarded as the company's ultimate holding company.