

HAWKHURST GOLF AND COUNTRY CLUB LIMITED
(Registered No. 889799)

REPORT

and

FINANCIAL STATEMENTS

for the sixteen months ended
31 MARCH 1997

WILDING, HUDSON & CO.

Chartered Accountants

**Saxon House
17 Lewis Road
Sutton
Surrey
SM1 4BR**



HAWKHURST GOLF AND COUNTRY CLUB LIMITED

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FOR THE SIXTEEN MONTHS ENDED 31 MARCH 1997

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HAWKHURST GOLF AND COUNTRY CLUB LIMITED

Directors

W S Fattal
E S Fattal

Secretary

E S Fattal

Registered Office

203 Temple Chambers, Temple Avenue, London, EC4Y 0DB

REPORT OF THE DIRECTORS

The directors have pleasure in submitting the financial statements for the period ended 31 March 1997.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The main activity of the company is the management of a golf course clubhouse.

The loss for the period after taxation was £12,906 (year ended 30 November 1995: profit - £8,911).

DIVIDEND

The directors do not recommend the payment of a dividend for the period under review.

DIRECTORS

The directors who served during the period, and their beneficial interests in the company's issued share capital, were as follows:-

	<u>Number of Shares</u>	
	<u>31 March 1997</u>	<u>1 December 1995</u>
W S Fattal	100	100
E S Fattal	-	-

The directors' interests at 31 March 1997 in the shares of the company's ultimate parent company, Cedardrive Limited, are disclosed in the Directors' Report of that company.

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

REPORT OF THE DIRECTORS

FOR THE SIXTEEN MONTHS ENDED 31 MARCH 1997

- CONTINUED -

STATEMENT OF THE 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 the 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:-

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) 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 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.

AUDITORS

A resolution to re-appoint the auditors, Wilding, Hudson & Co., Chartered Accountants, will be proposed at the next general meeting of the company

This report was approved by the Board on 30th January 1998 and signed on its behalf.



E S FATTAL
Secretary

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 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

The freehold buildings have not been depreciated.

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 period then ended and have been properly prepared in accordance with the Companies Act 1985.

WILDING, HUDSON & CO.

Saxon House
17 Lewis Road
Sutton
Surrey
SM1 4BR

W. L. H. - L.

30th January 1998

Chartered Accountants
and Registered Auditors

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE SIXTEEN MONTHS ENDED 31 MARCH 1997

		<u>Sixteen months ended 31.03.1997</u>	<u>Year ended 30.11.1995</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Turnover	1(b)	(3,958)	12,500
		<hr/>	<hr/>
GROSS (LOSS)/PROFIT		(3,958)	12,500
Administrative expenses		(8,948)	(3,589)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before and after taxation	2	(12,906)	8,911
RETAINED PROFITS BROUGHT FORWARD		31,133	22,222
		<hr/>	<hr/>
RETAINED PROFITS CARRIED FORWARD		£18,227	£31,133
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses for either period other than those included in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.

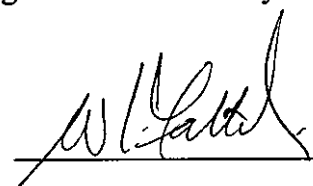
HAWKHURST GOLF AND COUNTRY CLUB LIMITED

BALANCE SHEET

AS AT 31 MARCH 1997

		<u>31.03.1997</u>	<u>30.11.1995</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	4	33,515	34,320
CURRENT ASSETS			
Debtors	5	6,250	30,208
CREDITORS - amounts falling due within one year	6	(9,538)	(21,395)
NET CURRENT (LIABILITIES)/ASSETS		(3,288)	8,813
NET ASSETS		<u>£30,227</u>	<u>£43,133</u>
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	7	12,000	12,000
Profit and loss account		18,227	31,133
SHAREHOLDERS' FUNDS - All equity	8	<u>£30,227</u>	<u>£43,133</u>

Approved by the Board of Directors on 30th January 1998 and signed on its behalf by:



W S FATTAL
Director

The notes on pages 6 to 8 form part of these financial statements.

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

SIXTEEN MONTHS ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' report and which are continuing.

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 1 and has not produced a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover represents income receivable from Hawkhurst Golf Club Limited.

(c) Depreciation

Depreciation is provided at the rates which will write off the cost of the assets down to their residual value over their estimated useful economic lives. No depreciation is provided on the freehold, the roads and surrounds, or the building improvements.

The golf course (leasehold) is being amortised at 4% per annum on cost.

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>Sixteen months</u> <u>ended</u> <u>31.03.1997</u>	<u>Year ended</u> <u>30.11.1995</u>
This is stated after charging:		
	£	£
Auditors' remuneration	500	827
Amortisation	805	604
	==	==

3. TAXATION

It is anticipated that no tax liability will arise in the current year as the company has made a loss.

HAWKHURST GOLF AND COUNTRY CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****SIXTEEN MONTHS ENDED 31 MARCH 1997****- CONTINUED -****4 TANGIBLE FIXED ASSETS**

	<u>Golf Course Leasehold</u>	<u>Freehold Land and Buildings</u>	<u>Building Improve- ments</u>	<u>Roads and Surrounds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST					
At 01.12.1995 and 31.03.1997	15,084	21,967	6,000	1,521	44,572
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 01.12.1995	10,252	-	-	-	10,252
Charge for the period	805	-	-	-	805
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31.03.1997	11,057	-	-	-	11,057
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31.03.1997	<u>£4,027</u>	<u>£21,967</u>	<u>£6,000</u>	<u>£1,521</u>	<u>£33,515</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 30.11.1995	<u>£4,832</u>	<u>£21,967</u>	<u>£6,000</u>	<u>£1,521</u>	<u>£34,320</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

5. DEBTORS

	<u>31.03.1997</u>	<u>30.11.1995</u>
Prepayments and accrued income	<u>£6,250</u>	<u>£30,208</u>

6. CREDITORS - amounts falling due within one year

	<u>31.03.1997</u>	<u>30.11.1995</u>
	<u>£</u>	<u>£</u>
Loan from ultimate parent company	6,392	19,202
Amount owed to fellow subsidiary (Invicta Estates Limited)	1,436	1,436
Amount owed to a company under control of the directors	-	52
Accruals	1,710	705
	<hr/>	<hr/>
	<u>£9,538</u>	<u>£21,395</u>

HAWKHURST GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

SIXTEEN MONTHS ENDED 31 MARCH 1997

- CONTINUED -

7. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>	
		<u>31.03.1997</u>	<u>30.11.1995</u>
12,000 Ordinary shares of £1 each	<u>£100,000</u>	<u>£12,000</u>	<u>£12,000</u>

8. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>Sixteen months ended 31.03.1997</u>	<u>Year ended 30.11.1995</u>
	<u>£</u>	<u>£</u>
Retained (loss)/profit for the period/year	(12,906)	8,911
Opening shareholders' funds	<u>43,133</u>	<u>34,222</u>
Closing shareholders' funds	<u>£30,227</u>	<u>£43,133</u>

9. PARENT COMPANY, ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLERS

The parent company is Citylink Finance (1987) Limited, which holds 11,900 shares out of the total of 12,000 shares that have been issued. The ultimate parent company is Cedardrive Limited, incorporated in England.

The company's ultimate controllers are Mr W S Fattal and Mr E S Fattal who own 100% of the ultimate parent company's issued share capital.