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EXECUTIVE SPORTS LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT

RAMSDENS
Chartered Accountants
Birstall House
6 Bourbon Street
Aylesbury
Bucks



EXECUTIVE SPORTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

The directors present the annual report of the company, together with the accounts and auditor's report for the year ended 31st March 1997.

PRINCIPAL ACTIVITY

The company's principal activity was the organisation of sporting events and promotions. The subsidiary provided golfing facilities for Cranbrook Golf Club.

BUSINESS REVIEW, RESULTS AND DIVIDENDS

The company and subsidiary had a very successful year, which is expected to be repeated. Investment in improved facilities at the Golf Club is continuing.

The results for the year for the group and the company are set out on pages 3 and 5 respectively.

The directors who served during the year were:-

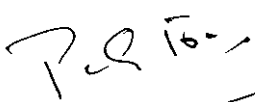
	<u>Ordinary Shares</u>	
	<u>1997</u>	<u>1996</u>
P G Fox	5,000	5,000
G L C Fox	-	-
P Wilcock	5,000	5,000

No dividend is proposed for the year.

AUDITORS

The directors will place a resolution before the Annual General Meeting to re-appoint Ramsdens as auditors for the ensuing year.

By Order of the Board


Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS

OF

EXECUTIVE SPORTS LIMITED

We have audited the financial statements on pages 3 and 12 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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 31st March 1997 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.

Birstall House
6 Bourbon Street
Aylesbury
Bucks

Ramsdens

RAMSDENS

Chartered Accountants
and Registered Auditors

12th January 1998

EXECUTIVE SPORTS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER - Continuing Operations		1,251,974	1,344,063
Less: Cost of Sales - Continuing Operations		533,742	564,724
		<hr/> 718,232	<hr/> 779,339
Net Operating Expenses - Continuing Operations		574,416	595,646
OPERATING PROFIT		<hr/> 143,816	<hr/> 183,693
Dividends Received		151	151
Interest Payable	3	<hr/> (18,146)	<hr/> (27,492)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<hr/> 125,821	<hr/> 156,352
Tax Charge on Profit on Ordinary Activities	5	<hr/> 34,232	<hr/> 48,627
PROFIT FOR THE FINANCIAL YEAR		<hr/> 91,589	<hr/> 107,725
MINORITY INTEREST		<hr/> 86	<hr/> (172)
RETAINED PROFIT FOR THE YEAR		<hr/> 91,503	<hr/> 107,897
RETAINED PROFIT, BEGINNING OF YEAR		<hr/> 1,240,390	<hr/> 1,132,493
RETAINED PROFIT, END OF YEAR		<hr/> <hr/> £1,331,893	<hr/> <hr/> £1,240,390

The group has no recognised gains and losses other than those set out above, and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of this Profit and Loss Account.

EXECUTIVE SPORTS LIMITED

GROUP BALANCE SHEET AS 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	2,072,671	2,052,296
<u>CURRENT ASSETS</u>			
Stocks	7	-	1,139
Debtors			
- Falling due within one year	8	284,556	308,905
- Falling due after one year	9	315,923	305,109
Investments	10	3,897	3,897
		<u>604,376</u>	<u>619,050</u>
<u>CREDITORS</u>			
- Amounts falling due within one year	11	<u>775,265</u>	<u>837,653</u>
<u>NET CURRENT LIABILITIES</u>		(170,889)	(218,603)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1,901,782	1,833,693
<u>CREDITORS</u>			
Amounts falling due after more than one year	12	<u>34,940</u>	<u>58,440</u>
<u>NET ASSETS</u>		<u>£1,866,842</u>	<u>£1,775,253</u>
<u>SHAREHOLDERS FUNDS</u>			
Called Up Share Capital	13	10,000	10,000
Capital Reserve		127,269	127,269
Profit and Loss Account		1,331,893	1,240,390
Revaluation Reserve		<u>395,655</u>	<u>395,655</u>
	15	1,864,817	1,773,314
<u>MINORITY INTEREST</u>		<u>2,025</u>	<u>1,939</u>
		<u>£1,866,842</u>	<u>£1,775,253</u>

The accounts were approved by the Board of Directors on 12th January 1998.

The annexed notes form part of these accounts.

.....) *P. H. Fox*
.....)
.....) Directors
.....)
.....) *G*
.....) *Z*

EXECUTIVE SPORTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER - Continuing Operations		848,646	952,173
Less: Cost of Sales - Continuing Operations		526,195	556,715
		322,451	395,458
Net Operating Expenses - Continuing Operations		289,973	318,741
OPERATING PROFIT		32,478	76,717
Dividends Received		151	151
Interest Payable	3	(16,859)	(26,176)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	15,770	50,692
Tax Charge on Profit on Ordinary Activities	5	8,436	17,693
PROFIT FOR THE FINANCIAL YEAR		7,334	32,999
DIVIDENDS		-	-
RETAINED PROFIT FOR THE YEAR		7,334	32,999
RETAINED PROFIT, BEGINNING OF YEAR		651,846	618,847
RETAINED PROFIT, END OF YEAR		£ 659,180	£ 651,846

The company has no recognised gains and losses other than those set out above, and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of this Profit and Loss Account.

EXECUTIVE SPORTS LIMITED

BALANCE SHEET AS 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	64,886	89,422
Investment in Subsidiary	14	791,340	791,340
		<u>856,226</u>	<u>880,762</u>
<u>CURRENT ASSETS</u>			
Debtors			
- Falling due within one year	8	272,741	302,016
- Falling due after one year	9	315,923	305,109
Investments	10	3,897	3,897
		<u>592,561</u>	<u>611,022</u>
<u>CREDITORS</u>			
Amounts falling due within one year	11	779,607	829,938
<u>NET CURRENT LIABILITIES</u>			
		(187,046)	(218,916)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		<u>£669,180</u>	<u>£661,846</u>
<u>SHAREHOLDERS' FUNDS</u>			
Called Up Share Capital	13	10,000	10,000
Reserves		659,180	651,846
	15	<u>£669,180</u>	<u>£661,846</u>

The accounts were approved by the Board of Directors on 12th January 1998.

The annexed notes form part of these accounts.

.....) *PCL 10**
.....) *QZ*
.....) Directors

EXECUTIVE SPORTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

The principal accounting policies are:-

a) Basis of Accounting

The accounts have been prepared under the historical cost convention, (except for the revaluation of freehold property) in accordance with applicable accounting standards.

b) Tangible Fixed Assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its estimated useful life as follows:-

Freehold Property	Not depreciated, as in the opinion of the directors the residual value will always be greater than the book value due to the company's policy of keeping the buildings in good repair.
Irrigation & Drainage Scheme	10%
Motor Vehicles	25%
Plant and Machinery	12.5% or 25%
Fixtures and Fittings	10%

c) Debtors

Debtors are stated net of any provision for bad and doubtful debts.

d) Taxation

Corporation tax is provided on taxable profits at the current rate. Deferred taxation on the revaluation of freehold property has not been provided for because it is not the intention of the directors to dispose of it in the foreseeable future.

e) Turnover

Turnover comprises the VAT exclusive invoiced amount in respect of sporting functions and promotions carried out during the year, and subscriptions, green fees, sales and services.

f) Stock

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

g) Cash Flow Statement

Exemption under FRS1 applies on the grounds that the company qualifies as a small company.

h) Pension Scheme

The company operates a defined contribution scheme. Payments are charged to the Profit and Loss Account as they are incurred.

EXECUTIVE SPORTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

Continued

2. OPERATING PROFIT

This is stated after charging:-

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Directors' Salaries	116,130	128,618	116,130	128,618
Directors' Pension Contributions	-	5,147	-	5,147
Auditor's Remuneration and Expenses	5,400	5,400	2,400	2,400
Depreciation of Assets	79,964	82,392	32,887	32,306
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

and after crediting:-

Profit on Sale of Fixed Assets	11,761	-	-	-
Income from Listed Investments	151	151	151	151
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Interest Payable - Bank Loans and Overdrafts	18,146	27,492	16,859	26,176
	<u>£ 18,146</u>	<u>£ 27,492</u>	<u>£ 16,859</u>	<u>£ 26,176</u>

4. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Management	3	4	2	2
Administration	8	9	3	3
	<u>11</u>	<u>13</u>	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Wages and Salaries	247,459	276,917	170,128	192,303
Social Security	25,135	28,271	18,469	21,042
Other Pension Costs	-	5,147	-	5,147
	<u>£272,594</u>	<u>£310,335</u>	<u>£188,597</u>	<u>£218,492</u>

EXECUTIVE SPORTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

Continued

5. <u>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</u>	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Corporation Tax Provision based on Profits for the year	34,232	48,627	8,436	17,693
	<u>£ 34,232</u>	<u>£ 48,627</u>	<u>£ 8,436</u>	<u>£ 17,693</u>

6. TANGIBLE FIXED ASSETS

The following are included in the net book value of tangible fixed assets:-

a) <u>GROUP</u>	<u>Cost or Revaluation</u>	<u>Freehold</u>	<u>Irrigation</u>	<u>Motor</u>	<u>Plant &</u>	<u>Fixtures &</u>
		<u>Land &</u>	<u>& Drainage</u>			
	<u>TOTAL</u>	<u>Buildings</u>	<u>Scheme</u>	<u>Vehicles</u>	<u>Machinery</u>	<u>Fittings</u>
Balance B/Fd	2,533,092	1,872,017	37,889	112,573	334,027	176,586
Additions	100,339	25,164	-	-	60,063	15,112
Disposals	(17,601)	-	-	-	(17,601)	-
Balance C/Fd	<u>£2,615,830</u>	<u>1,897,181</u>	<u>37,889</u>	<u>112,573</u>	<u>376,489</u>	<u>191,698</u>
<u>Depreciation</u>						
Balance B/Fd	480,796	-	24,033	46,528	293,272	116,963
Charge for the Year	79,964	-	3,789	28,142	30,065	17,968
Charged on Disposals	(17,601)	-	-	-	(17,601)	-
Balance C/Fd	<u>£ 543,159</u>	<u>-</u>	<u>27,822</u>	<u>74,670</u>	<u>305,736</u>	<u>134,931</u>
<u>Net Book Value</u>						
1997	<u>£2,072,671</u>	<u>1,897,181</u>	<u>10,067</u>	<u>37,903</u>	<u>70,753</u>	<u>56,767</u>
1996	<u>£2,052,296</u>	<u>1,872,017</u>	<u>13,856</u>	<u>66,045</u>	<u>40,755</u>	<u>59,623</u>

The freehold land and buildings were valued at open market value as at 16th December 1992 at a figure of £1,750,000.

EXECUTIVE SPORTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1997

Continued

6. **TANGIBLE FIXED ASSETS** Continued

b) <u>Company</u>	<u>TOTAL</u>	<u>Motor Vehicles</u>	<u>Plant & Machinery</u>
<u>COST</u>			
Balance B/Fd	172,836	112,573	60,263
Additions	8,351	-	8,351
Disposals	-	-	-
Balance C/Fd	£181,187	112,573	68,614
<u>DEPRECIATION</u>			
Balance B/Fd	83,414	46,528	36,886
Charge for the Year	32,887	28,142	4,745
Charged on Disposals	-	-	-
Balance C/Fd	£116,301	74,670	41,631
<u>NET BOOK VALUE</u>			
1997	£ 64,886	37,903	26,983
1996	£ 89,422	66,045	23,377

7. **STOCKS**

	<u>Group</u>	
	<u>1997</u>	<u>1996</u>
Consumables and Goods for resale	£ -	£ 1,139

8. **DEBTORS** Amounts falling due within one year:-

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Trade Debtors	176,209	208,493	176,209	208,493
Other Debtors	3,611	3,297	-	-
Prepayments and Accrued Income	104,736	97,115	96,532	93,523
	£284,556	£308,905	£272,741	£302,016

9. **DEBTORS** Amounts falling due within one year:-

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Loan to Affiliated Company	303,423	292,609	303,423	292,609
Other Debtors	12,500	12,500	12,500	12,500
	£315,923	£305,109	£315,923	£305,109

10. **INVESTMENTS**

	<u>Company and Group</u>	
	<u>1997</u>	<u>1996</u>
Listed Investments at Cost	£ 3,897	£ 3,897
Market Value	£4,855	

EXECUTIVE SPORTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

Continued

11. CREDITORS - Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Trade Creditors	1,768	6,166	-	-
Social Security and Other Taxes	38,838	44,923	36,887	42,957
Other Creditors	11,924	44,362	6,459	37,790
Income in Advance	283,538	298,414	230,408	260,355
Bank Overdraft (Secured)	388,965	395,161	368,202	384,782
Current Taxation	34,232	48,627	8,436	17,693
Debentures	16,000	-	-	-
Loan from Subsidiary	-	-	129,215	86,361
	<u>£775,265</u>	<u>£837,653</u>	<u>£779,607</u>	<u>£829,938</u>

The bank overdraft is secured by a charge on the investment in Cranbrook Golf Club Limited.

12. CREDITORS Amounts falling due after more than one year

	<u>Group</u>	
	<u>1997</u>	<u>1996</u>
Subscriptions Paid in Advance		
- up to 5 years	18,750	26,250
Debentures	16,190	32,190
	<u>£34,940</u>	<u>£58,440</u>
Payable by instalments, some of which fall due for repayment after 5 years	-	-
Payable other than by instalments, after 5 years	16,190	32,190
	<u>£16,190</u>	<u>£32,190</u>

13. SHARE CAPITAL

The authorised, allotted and fully paid share capital of the company consisted of 10,000 shares of £1 each amounting to £10,000.

	<u>Authorised</u>	<u>Allotted, Called Up and Fully Paid</u>
Ordinary Shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>

EXECUTIVE SPORTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

Continued

14. INVESTMENT IN SUBSIDIARY

The subsidiary, which is 99.9% owned, is Cranbrook Golf Club Limited, a company incorporated in England.

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Profit for the financial year	91,503	107,897	7,334	32,999
Opening Shareholders' Funds	1,773,314	1,665,417	661,846	628,847
Closing Shareholders Funds	<u>£1,864,817</u>	<u>£1,773,314</u>	<u>£ 669,180</u>	<u>£ 661,846</u>

16. RELATED PARTY DISCLOSURES

The company is controlled by its directors.

Two directors, Mr P Fox and Mr P Wilcock, have each provided share capital of £5,000.