

**FOREST OF ARDEN
GOLF AND COUNTRY
CLUB LIMITED**

REPORT AND ACCOUNTS

29 FEBRUARY 1992

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FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

DIRECTORS

G R L Windle (appointed 1 October 1991)
M D Hampson (appointed 21 March 1991)

SECRETARY

N J Fenton

REGISTERED OFFICE

Brewery
Chiswell Street
London EC1Y 4SD

REGISTERED NUMBER

1772267

AUDITORS

Ernst & Young
400 Capability Green
Luton LU1 3LU

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

DIRECTORS' REPORT

Accounts

The Directors present their report and the audited accounts for the year ended 29 February 1992.

Principal activity and review of business development

The principal activity of the company during the year was the operation of a hotel, golf and country club. The company intends to continue this activity for the foreseeable future.

Results and dividends

The profit for the year, after tax, amounted to £1,414,127 (1990/91 – £1,518,959). The directors do not recommend the payment of a dividend.

Directors

The directors of the company at the date of this report are listed on page 1. In addition J G Pontin, N T McIndoe, T S Rowan Robinson, H R Siegle and C J Wilkins served on the board for part of the year, the first four resigning on 21 March 1991, the last was appointed on 21 March 1991 and resigned on 1 October 1991. T S Rowan Robinson was reappointed a director on 1 October 1991 and resigned on 31 March 1992.

Directors' interests

According to the register maintained as required under the Companies Act 1985 the director's interests in the share capital, debentures and options over "A" limited voting ordinary shares in the ultimate parent undertaking, Whitbread PLC, are as follows:

	<u>29 February 1992</u>	<u>2 March 1991</u>
G R L Windle		
'A' limited voting ordinary shares (Share Ownership Scheme)	1,444	1,326
Options over 'A' limited voting ordinary shares:		
Savings Related Share Ownership Scheme	2,694	3,210
Executive Share Option Scheme 1985	36,300	34,400
'A' limited voting ordinary shares	2,333	2,435
M D Hampson		
Options over 'A' limited voting ordinary shares:		
Executive Share Option Scheme 1985	41,000	24,900
Savings Related Share Ownership Scheme	817	—
T S Rowan Robinson		
'A' limited voting ordinary shares (Share Ownership Scheme)	593	475
Options over 'A' limited voting ordinary shares:		
Executive Share Option Scheme 1985	14,100	32,100

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

DIRECTORS' REPORT

Directors' interests (continued)

During the year the following movements in options over the 'A' limited voting ordinary share capital of Whitbread PLC (all under the terms of the Executive Share Option Scheme 1985 except as marked *) took place:

	Options granted 1991/92		Options exercised 1991/92	
	Number	Price (p)	Number	Price (p)
G R L Windle	1,900	416.2	—	—
	817 *	366.9	—	—
M D Hampson	16,100	416.2	—	—
	817 *	366.9	—	—
T S Rowan Robinson	5,200	416.2	23,200	292.2

* These options were granted under the terms of the Savings Related Share Option Scheme.

The options outstanding at 29 February 1992 are exercisable at varying dates between 1992 and 2001 at varying prices between 366.9p and 451.2p

Auditors

Ernst and Young have expressed their willingness to continue as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the Board

Nicola J Fenton

Secretary

21 August 1992

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

REPORT OF THE AUDITORS

to the members of Forest of Arden Golf and Country Club Limited

We have audited the accounts on pages 5 to 10 in accordance with Auditing Standards

In our opinion the accounts give a true and fair view of the state of affairs of the company at 29 February 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985



Chartered Accountants
Registered Auditor
Luton

21 August 1992

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 29 February 1992

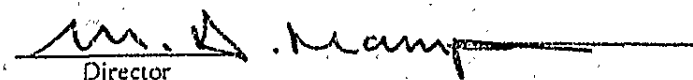
	Notes	<u>1992</u>	<u>1991</u>
		£	£
TURNOVER		5,366,737	5,096,977
Cost of sales		<u>(3,671,696)</u>	<u>(3,494,162)</u>
GROSS PROFIT		1,695,041	1,602,815
Administrative expenses		<u>(36,395)</u>	<u>(23,587)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,2	1,658,646	1,579,228
Taxation	3	<u>(244,519)</u>	<u>(60,269)</u>
RETAINED PROFIT FOR THE YEAR	9	<u>1,414,127</u>	<u>1,518,959</u>

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

BALANCE SHEET

29 February 1992

	<u>Notes</u>	<u>1992</u> £	<u>1991</u> £
FIXED ASSETS			
Tangible assets	4	<u>23,335,537</u>	<u>23,062,437</u>
CURRENT ASSETS AND LIABILITIES			
Stocks	5	40,204	42,603
Debtors	6	442,834	565,079
Cash at bank and in hand		<u>3,860</u>	<u>3,195</u>
		486,898	610,877
Creditors – amounts falling due within one year	7	<u>(10,116,631)</u>	<u>(11,381,637)</u>
Net current liabilities		<u>(9,629,733)</u>	<u>(10,770,760)</u>
Total assets less current liabilities		<u>13,705,804</u>	<u>12,291,677</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,000	10,000
Revaluation reserve – non distributable	9	9,514,221	9,514,221
Profit and loss account	9	<u>4,181,583</u>	<u>2,767,456</u>
		<u>13,705,804</u>	<u>12,291,677</u>


Director

21 August 1992

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared in accordance with applicable Accounting Standards under the historical cost convention and incorporate the revaluation of property.

b) Depreciation

While it is the company's policy to depreciate relevant fixed assets, the nature of the licensed trade requires that, in order to protect that trade, long leasehold licensed premises are maintained in such a state of repair that the aggregate of their residual value is at least equal to their book amounts. In the opinion of the directors any depreciation of these properties would not be material.

The cost or valuation of other fixed assets is depreciated by equal annual instalments over their expected useful lives as follows:

Furniture and equipment	8 years
Motor vehicles	5 years

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

e) Turnover

Turnover is the value of goods and services sold, within the UK, after deducting sales based taxes.

f) Cash flow statement

As permitted by Financial Reporting Standard No. 1, a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a European Community parent.

g) Pension funding

The Whitbread group operates schemes covering the majority of permanent employees. The schemes, which are of the defined benefit type, are fully funded and contributions by both employees and companies are held in trustee administered funds completely independent of the group's finances.

Pension costs, including a proportion of actuarial surpluses, are charged to the profit and loss account over the expected useful lives of the employees.

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

1. PROFIT AND LOSS ACCOUNT DETAILS

Profit on ordinary activities is stated after charging:
Depreciation of fixed assets (note 4)
Hire of plant and equipment under operating leases

	1992	1991
	£	£
	234,666	220,597
	<u>28,218</u>	<u>19,517</u>

2. DIRECTORS AND OTHER EMPLOYEES

Employee costs amounted to:

Wages and salaries
Social security costs
Other pension costs

	1,340,204	1,350,157
	113,207	112,526
	<u>5,352</u>	<u>3,718</u>
	<u>1,458,763</u>	<u>1,466,401</u>

The average number of persons employed during the year was:

Retailing – full time
part time

	164	135
	<u>47</u>	<u>26</u>

No directors remuneration was paid by the company in the year, or in the previous year.

The company's employees are members of the Whitbread Group Pension Schemes. These are defined benefit schemes, the assets of which are held in trustee administered funds completely independent of the Whitbread Group's finances. The pension cost for the scheme is based on pension costs across the group as a whole and is assessed on the advice of the actuaries to the scheme, using the projected unit credit valuation basis. The most recent actuarial valuation of the scheme was carried out as at 30 September 1990. Further details are disclosed in the accounts of the ultimate parent undertaking

3. TAXATION

Current taxation on profits for the year
U.K. Corporation Tax at 33.085% (1991 – 34.085%)
Adjustments to earlier periods

	242,069	60,269
	<u>2,450</u>	<u>–</u>
	<u>244,519</u>	<u>60,269</u>

The charge for UK Corporation Tax has been relieved by £305,906 (1991 – £467,823) in respect of accelerated capital allowances.

Deferred taxation

The potential amount of deferred taxation [at 33%] not provided in these accounts is £576,955 [1991 – £1,379,825] in respect of accelerated capital allowances.

No provision has been made for any chargeable gains which might arise in the event of the property being sold at its revalued amount as this asset is required to be retained for use in the business.

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

4. TANGIBLE FIXED ASSETS

	Long leasehold retail property £	Plant & machinery £	Total £
Gross amounts 2 March 1991	21,519,606	1,953,534	23,473,140
Additions	434,521	68,005	502,526
Group transfers	—	12,316	12,316
Disposals	—	(6,034)	(6,034)
Gross amounts 29 February 1992	<u>21,954,127</u>	<u>2,027,821</u>	<u>23,981,948</u>
Depreciation 2 March 1991	—	(410,703)	(410,703)
Depreciation for the year	—	(234,666)	(234,666)
Group transfers	—	(3,758)	(3,758)
Disposals	—	2,716	2,716
Depreciation 29 February 1992	<u>—</u>	<u>(646,411)</u>	<u>(646,411)</u>
Net book amounts 29 February 1992	<u>21,954,127</u>	<u>1,381,410</u>	<u>23,335,537</u>
Net book amounts 2 March 1991	<u>21,519,606</u>	<u>1,542,831</u>	<u>23,062,437</u>

The property was revalued on 2 March 1991 on an open market value basis by chartered surveyors employed by the group. If this and previous revaluations had not taken place, the values of fixed assets would have been:

Gross amounts	12,439,906	2,027,821	14,467,727
Depreciation	—	(646,411)	(646,411)
Net book amounts 29 February 1992	<u>12,439,906</u>	<u>1,381,410</u>	<u>13,821,316</u>
Net book amounts 2 March 1991	<u>12,005,385</u>	<u>1,542,831</u>	<u>13,548,216</u>

Capital expenditure for which no provision has been made:

	1992 £	1991 £
Authorised, not committed	<u>1,035,000</u>	<u>—</u>
	<u>1,035,000</u>	<u>—</u>

5. STOCKS

	1992 £	1991 £
Finished goods for resale	<u>40,204</u>	<u>42,603</u>

6. DEBTORS

	1992 £	1991 £
Trade debtors	430,878	488,363
Amounts due from group and parent undertakings	11,956	74,266
Corporation Tax recoverable	—	2,450
	<u>442,834</u>	<u>565,079</u>

FOREST OF ARDEN GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1992 £	1991 £
Bank overdrafts	4,717	4,324
Corporation Tax	241,227	60,269
Accruals and deferred income	279,000	-
Other creditors	33,249	-
	9,558,438	11,317,044
Amounts due to group and parent undertakings	<u>10,116,631</u>	<u>11,381,637</u>

8. SHARE CAPITAL

	1992 £	1991 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Authorised	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		

9. RESERVES

	Reval- uation reserve £	Profit & loss account £	Total £
2 March 1991	9,514,221	2,767,456	12,281,677
Profit retained	-	1,414,127	1,414,127
29 February 1992	<u>9,514,221</u>	<u>4,181,583</u>	<u>13,695,804</u>

10. LEASE COMMITMENTS

	1992 £	1991 £
Annual commitments under non cancellable operating leases in respect of property which expire :		
After five years	<u>75,000</u>	<u>75,000</u>

11. PARENT UNDERTAKING

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales, and the parent undertaking of the smallest such group is Country Club Hotels Ltd, registered in England and Wales. Copies of the accounts of both companies can be obtained from Brewery, Chiswell Street, London EC1Y 4SD.