

REPORT AND ACCOUNTS

Forest of Arden Golf
and Country Club Limited

MARCH 2, 1991

 ERNST & YOUNG

Forest of Arden Golf and Country Club Limited

DIRECTORS

C J Wilkins
M D Hampson

SECRETARY

M F Drabble

AUDITORS

Ernst & Young
400 Capability Green
Luton
LU1 3LU

BANKERS

National Westminster Bank plc
32 Corn Street
Bristol
Avon
BS99 7UG

SOLICITORS

Field Fisher Waterhouse
41 Vine Street
London
EC3N 2AA

REGISTERED OFFICE

Brewery
Chiswell Street
London
EC1Y 4SD

REGISTERED NUMBER

1772267

ERNST & YOUNG

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended March 2, 1991.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company during the year was the development and operation of a hotel, golf and country club.

REVIEW OF BUSINESS

The hotel complex has now been open for eighteen months and is trading to expectations.

ACCOUNTS AND DIVIDENDS

The profit for the financial year amounts to £1,518,959 (1989: £1,153,709) which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

FIXED ASSETS

The movements of fixed assets during the year including the revaluation of the long leasehold property are set out in note 7 to the accounts.

DIRECTORS

The directors of the company who served during the year ended March 2, 1991 were J G Pontin, N T McIndoe, T S Rowan Robinson and H R Siegle. They all resigned from the board on March 21, 1991 and on the same date the current directors, listed on page 1, were appointed.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985 the directors' interests in the share capital, debenture and loan stock of Whitbread & Co PLC were as follows:-

	March 2, 1991	March 3 1990
H R Siegle		
'A' Limited Voting Shares (Share Ownership Scheme)	1,326	1,193
Options - Savings Related Share Option Scheme	2,463	3,279
- Executive Share option Scheme 1985	95,500	80,800
'A' Limited Voting Shares	5,322	4,506
T S Rowan Robinson		
'A' Limited Voting Shares (Share Ownership Scheme)	475	342
Options - Executive Share Option Scheme 1985	32,100	23,200
N T McIndoe		
'A' Limited Voting Shares (Share Ownership Scheme)	475	342
Options - Savings Related Share Option Scheme	2,904	2,904
- Executive Share Option Scheme 1985	15,300	72,400

AUDITORS

Ernst & 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

Maxine F Drabble

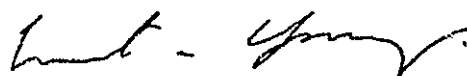
Secretary

NOV 20 1991

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 14 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 March 2, 1991 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

NOV 20 1991

Forest of Arden Golf and Country Club Limited

PROFIT AND LOSS ACCOUNT
for the year ended March 2, 1991

	<i>Notes</i>	<i>1991</i> £	<i>1990</i> £
TURNOVER	2	5,096,977	2,335,451
Cost of sales		(3,494,162)	(1,683,380)
GROSS PROFIT		1,602,815	652,071
Administrative expenses		(23,587)	(50,777)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,579,228	601,294
Taxation charge/(credit)	5	60,269	(552,415)
PROFIT FOR THE FINANCIAL YEAR	13	1,518,959	1,153,709

Forest of Arden Golf and Country Club Limited

BALANCE SHEET
at March 2, 1991

	Notes	1991	1990
FIXED ASSETS			
Tangible assets	7	23,062,437	18,360,318
CURRENT ASSETS			
Stocks	8	42,603	39,869
Debtors	9	565,079	1,104,098
Cash in hand		3,195	3,000
		610,877	1,146,967
CREDITORS: amounts falling due within one year	10	(11,381,637)	(13,387,925)
NET CURRENT LIABILITIES		(10,770,760)	(12,240,958)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,291,677	6,119,360
CAPITAL AND RESERVES			
Called up share capital	12	10,000	10,000
Revaluation reserve	13	9,514,221	4,860,863
Profit and loss account	13	2,767,456	1,248,497
		12,291,677	6,119,360

[Signature]

Directors

[Signature]

NOV 20 1991

ERNST & YOUNG

NOTES TO THE ACCOUNTS

at March 2, 1991

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Depreciation of fixed assets

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 values 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 of other fixed assets is depreciated by equal annual instalments over the expected useful lives of the assets as follows:

Furniture and equipment	8 years
Motor vehicles	5 years

Stocks

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

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.

Statement of source and application of funds

Due to the structure of the Country Club Hotels Group whereby subsidiary undertakings are funded through their parent undertaking, it is not considered relevant to publish a source and application of funds statement in the accounts of subsidiaries.

Capitalisation of interest

Interest (net of tax) is capitalised on major fixed asset constructions where completion time exceeds 6 months and total cost exceeds £500,000.

Forest of Arden Golf and Country Club Limited

NOTES TO THE ACCOUNTS
at March 2, 1991

2 **TURNOVER**

Turnover represents the value of goods sold, services provided and subscriptions receivable during the year, excluding VAT but including excise duties.

3 **OPERATING PROFIT**

	1991 £	1990 £
This is stated after charging:		
Depreciation of fixed assets	220,597	107,943
Auditors' remuneration	-	2,000
Hire of plant and equipment under operating leases	19,517	6,064
Leasehold property rents	-	19,724
	<hr/>	<hr/>

4 **INTEREST PAYABLE AND SIMILAR CHARGES**

	1991 £	1990 £
Loans repayable after 5 years	-	662,658
Interest capitalised	-	(662,658)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

ERNST & YOUNG

Forest of Arden Golf and Country Club Limited

NOTES TO THE ACCOUNTS at March 2, 1991

5 TAXATION

The charge (1990: credit) based on the profit for the year comprises:-

	1991 £	1990 £
Corporation tax payable/(recoverable) at 34.085% (1990: 35%)	60,269	(491,530)
Prior year adjustment	-	(60,885)
	<u>60,269</u>	<u>(552,415)</u>

The charge for taxation has been reduced by £408,000 as a result of claiming accelerated capital allowances for which no provision for deferred taxation is considered necessary and by £60,000 in respect of prior year losses now utilised.

6 DIRECTORS AND OTHER EMPLOYEES

	1991 No.	1990 No.
The average number of persons employed by the company during the year was:-	161	192
	<u>£</u>	<u>£</u>

Employee costs during the year amounted to:-

Wages and salaries	1,350,157	905,245
Social security costs	112,526	67,443
Other pension costs	3,718	2,404
	<u>1,466,401</u>	<u>975,092</u>

Directors' remuneration paid by the company during the year amounted to £nil (1990 - £nil).

NOTES TO THE ACCOUNTS
at March 2, 1991

7 TANGIBLE FIXED ASSETS

	Long leasehold licenced premises including fixtures and fittings £	Furniture equipment and motor vehicles £	Total £
Cost or valuation:			
At March 3, 1990	16,664,319	1,886,996	18,551,315
Additions	187,229	76,544	263,773
Group transfer	14,700	6,470	21,170
Disposals	-	(16,476)	(16,476)
Revaluations	4,653,358	-	4,653,358
At March 2, 1991	<u>21,519,606</u>	<u>1,953,534</u>	<u>23,473,140</u>
Depreciation:			
At March 3, 1990	-	190,997	190,997
Group transfer	-	6,469	6,469
Charge for the year	-	220,597	220,597
Disposals	-	(7,360)	(7,360)
At March 2, 1991	<u>-</u>	<u>410,703</u>	<u>410,703</u>
Net book amounts:			
At March 2, 1991	<u>21,519,606</u>	<u>1,542,831</u>	<u>23,062,437</u>
At March 3, 1990	<u>16,664,319</u>	<u>1,695,999</u>	<u>18,360,318</u>

NOTES TO THE ACCOUNTS
at March 2, 1991

7 TANGIBLE FIXED ASSETS (continued)

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

	<i>Long leasehold licensed premises including fixtures and fittings</i> £	<i>Furniture equipment and motor vehicles</i> £	<i>Total</i> £
Cost	12,005,385	1,953,534	13,958,919
Accumulated depreciation	-	(410,703)	(410,703)
Net book amounts:			
At March 2, 1991	12,005,385	1,542,831	13,548,216
At March 3, 1990	11,803,456	1,695,999	13,499,455

8 STOCKS

	<i>1991</i> £	<i>1990</i> £
Goods for resale	42,603	39,869

NOTES TO THE ACCOUNTS
at March 2, 1991

9 DEBTORS

	1991 £	1990 £
Trade debtors	488,363	430,538
Amount due from group undertaking	74,266	673,560
Corporation tax recoverable	2,450	-
	<u>565,079</u>	<u>1,104,098</u>

10 CREDITORS: amounts falling due within one year

	1991 £	1990 £
Bank overdraft	4,324	-
Amounts due to group and parent undertakings	11,317,044	13,387,925
Current corporation tax	60,269	-
	<u>11,381,637</u>	<u>13,387,925</u>

11 DEFERRED TAXATION

The potential amount of deferred taxation (at 33%) not provided in these accounts is £1,380,000 (1990: £998,000) 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.

12 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1991 £	1990 £	1991 £	1990 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>10,000</u>	<u>10,000</u>

NOTES TO THE ACCOUNTS
at March 2, 1991

13 RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At March 3, 1990	4,860,863	1,248,497	6,109,360
Profit for the year	-	1,518,959	1,518,959
Surplus on revaluation	4,653,358	-	4,653,358
At March 2, 1991	9,514,221	2,767,456	12,281,677

14 FINANCIAL COMMITMENTS

	1991 £	1990 £
Authorised future capital expenditure amounted to:		
Contracted	-	200,000
Not contracted	-	-
	-	200,000

The annual commitments under non-cancellable operating leases for land and buildings are:

	1991 £	1990 £
Leases expiring:		
After more than 5 years	75,000	75,000

NOTES TO THE ACCOUNTS
at March 2, 1991

15 PENSIONS

The company's employees are members of the Whitbread Group Pension Schemes. These are defined benefit schemes, the assets of which are held in trust funds separate from the Whitbread Group's finances.

The pension cost for the scheme is based upon pension costs across the group as a whole and is assessed on the advice of the actuaries to the scheme, using the projected unit valuation method. The most recent actuarial valuation of the Scheme was carried out as at March 31, 1988.

16 TRANSACTIONS WITH DIRECTORS

The company has entered into building contracts and arrangements on normal commercial terms with J T Group Limited during the year. Mr J G Pontin has a material interest in the equity share capital of J T Group Limited.

17 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 Limited, registered in England and Wales. Copies of Whitbread PLC's and Country Club Hotels Limited's accounts can be obtained from the Brewery, Chiswell Street, London, WC1Y 4SD.