

Company No. 1913760

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

REPORT AND ACCOUNTS

31st OCTOBER 2005

FINLEY & PARTNERS
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks, Kent



KINGSWOOD GOLF & COUNTRY CLUB LIMITED

COMPANY INFORMATION

Directors	T A Hilliard, OBE (Chairman) J T Hilliard D W McClelland D W B Howsam
Company Secretary	J T Hilliard
Company Number	1913760
Registered Office	The Downs Farm 140 Reigate Road Ewell Surrey KT17 3BY
Auditors	Finley & Partners Chartered Accountants Tubs Hill House London Road Sevenoaks Kent TN13 1BL
Bankers	Nat West Commercial Banking London City Commercial Centre 7 th Floor 280 Bishopsgate London EC3M 4RB

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited accounts for the year ended 31st October 2005.

ACTIVITIES

The principal activities of the company are the maintenance and conduct of sports complexes and the related business of licensed victuallers and restaurateurs.

RESULTS AND REVIEW OF BUSINESS

The results for the year are set out on page 5.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

DIVIDENDS

An ordinary dividend amounting to £150,000 has been paid.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows:

T A Hilliard, OBE
J T Hilliard
D W McClelland
D W B Howsam

None of the directors have a direct interest in the shares of the company. Messrs T A Hilliard, J T Hilliard and D W McClelland have an indirect interest by virtue of their shareholdings in the holding company.

HOLDING COMPANY

The company's holding company is Dwellcourt Limited, a company incorporated in England and Wales.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

REPORT OF THE DIRECTORS

(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its result for that year. In preparing those accounts, the directors are required to:

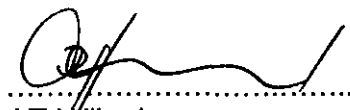
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates which are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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

The auditors, Finley & Partners, are deemed to be re-appointed in accordance with Section 386, Companies Act 1985.

By order of the Board



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J T Hilliard
Secretary

22 August 2006

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
KINGSWOOD GOLF & COUNTRY CLUB LIMITED**

We have audited the financial statements of Kingswood Golf & Country Club Limited for the year ended 31st October 2005 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property, and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

(Continued)

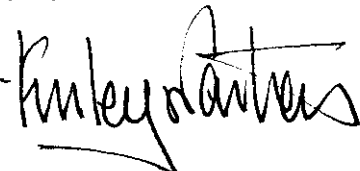
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 October 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FINLEY & PARTNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent.

22 August 2006

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 2005

	Notes	2005		2004	
		£	£	£	£
TURNOVER	2		1,689,539		1,533,171
Cost of sales			915,317		867,129
			<hr/>		<hr/>
GROSS PROFIT			774,222		666,042
Administrative expenses			558,467		542,026
			<hr/>		<hr/>
OPERATING PROFIT	3		215,755		124,016
Interest receivable	4	2,313		135	
Interest payable and similar charges	5	(2,353)		(5,319)	
		<hr/>		<hr/>	
			(40)		(5,184)
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			215,715		118,832
Tax on profit on ordinary activities	6		72,075		46,404
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			143,640		72,428
Dividends	7		(150,000)		(50,000)
			<hr/>		<hr/>
RETAINED RESULT FOR THE YEAR			£(6,360)		£ 22,428
			<hr/>		<hr/>

All of the company's operations are classed as continuing.

The company has no recognised gains or losses other than the result for the year.

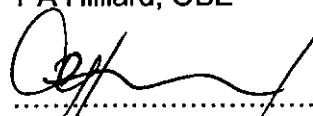
KINGSWOOD GOLF & COUNTRY CLUB LIMITED

BALANCE SHEET

AT 31st OCTOBER 2005

	Notes	£	2005 £	£	2004 £
FIXED ASSETS					
Tangible assets	8		4,844,214		4,859,489
CURRENT ASSETS					
Stock	9	33,408		32,149	
Debtors	10	80,297		68,945	
Cash at bank and in hand		15,033		3,178	
			<hr/>	<hr/>	
			128,738	104,272	
CREDITORS: amounts falling due within one year	11	594,005		606,667	
			<hr/>	<hr/>	
NET CURRENT LIABILITIES			(465,267)	(502,395)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>	<hr/>	
			4,378,947	4,357,094	
CREDITORS: amounts falling due after more than one year	12	993,990		962,777	
PROVISIONS FOR LIABILITIES AND CHARGES	13	37,000		40,000	
			<hr/>	<hr/>	
			1,030,990	1,002,777	
			<hr/>	<hr/>	
			£ 3,347,957	£ 3,354,317	
			<hr/>	<hr/>	
CAPITAL AND RESERVES					
Called up share capital	14		30,100	30,100	
Revaluation reserve	15		2,908,903	2,914,426	
Profit and loss account	15		408,954	409,791	
			<hr/>	<hr/>	
Shareholders' funds - equity interests	16		£ 3,347,957	£ 3,354,317	
			<hr/>	<hr/>	


)
 T A Hilliard, OBE)


)
 J T Hilliard) Directors

Approved by the Board: 22 August 2006

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of the company's freehold property, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available.

Going concern

Although at the year end the company's current liabilities exceeded its current assets by £465,267 (2004: £502,395), the financial statements have been prepared on a going concern basis for the following reasons:

The company has assurances from its holding company that it will continue to support the company for the foreseeable future by ensuring that the company has adequate cash resources available to finance its trading and to enable it to meet its obligations.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation. Depreciation is provided on the straight line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	-	over 50 years
Plant and machinery	-	over 6 - 7 years
Fixtures, fittings and equipment	-	over 6 - 7 years
Motor vehicles	-	over 4 years
Cups and trophies	-	over 20 years

The building element of the freehold property is depreciated over its estimated useful life of 50 years. An amount equal to the excess of the annual depreciation charge over the historical cost depreciation charge is transferred annually from the revaluation reserve to the profit and loss account

The freehold property and improvements are stated at the directors' valuation, based on advice received from independent professional valuers in 1998. Surpluses arising from the directors' valuation are taken directly to the revaluation reserve. On implementation of Financial Reporting Standard 15 the company adopted a policy of not revaluing its tangible fixed assets and has decided to carry these assets at their book amounts which reflect the previous directors' revaluations.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

Leases and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Stock

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

Deferred taxation

Deferred taxation is provided in full under the liability method.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. OPERATING PROFIT

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation of tangible assets	99,529	109,295
Hire of equipment	9,174	7,033
Auditors' remuneration	7,000	7,000
Employment costs (note 18)	609,481	574,886
	<hr/>	<hr/>

4. INTEREST RECEIVABLE

	2005	2004
Corporation Tax repayment supplement	£ 2,313	£ 135
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

5. INTEREST PAYABLE

	2005 £	2004 £
Bank overdraft interest	-	3,320
Hire purchase and finance lease charges	2,181	1,999
Other interest	172	-
	<u>£ 2,353</u>	<u>£ 5,319</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
U.K. corporation tax at 19% (2004 – 30%)	5,700	40,909
Payment in respect of group relief	69,375	14,495
	<u>75,075</u>	<u>55,404</u>
Current tax charge	75,075	55,404
Deferred tax		
Transfer from deferred taxation	(3,000)	(9,000)
	<u>£ 72,075</u>	<u>£ 46,404</u>

Reconciliation of current tax charge for the year.

	2005	2004
	£	£
Profit on ordinary activities before taxation	215,715	118,832
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation Tax at 30%	64,714	35,650
Effects of:		
Non-deductible expenses	5,654	3,169
Depreciation	29,858	32,789
Capital allowances	(21,851)	(16,204)
Adjustment for liability at lower rate	(3,300)	-
	<u>10,361</u>	<u>19,754</u>
Current tax charge	<u>£ 75,075</u>	<u>£ 55,404</u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7. DIVIDENDS

	2005	2004
Ordinary final paid	£ 150,000	£ 50,000
	<u> </u>	<u> </u>

8. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures, fittings, plant and machinery	Cups and Trophies	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation:					
At 1 st November 2004	4,828,204	613,686	50,000	7,250	5,499,140
Additions	3,250	81,004	-	-	84,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2005	4,831,454	694,690	50,000	7,250	5,583,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:					
At 1 st November 2004	135,000	449,693	47,708	7,250	639,651
Charge for the year	27,000	70,237	2,292	-	99,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2005	162,000	519,930	50,000	7,250	739,180
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value:					
At 31 st October 2005	£ 4,669,454	£ 174,760	£ -	£ -	£ 4,844,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2004	£ 4,693,204	£ 163,993	£ 2,292	£ -	£ 4,859,489
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of fixtures, fittings, plant and machinery includes an amount of £55,522 (2004: £34,546) in respect of assets held under hire purchase and finance lease contracts. The depreciation charge for the year in respect of those assets was £10,274 (2004: £7,949).

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

8. TANGIBLE FIXED ASSETS (continued)

The comparable historical cost of freehold property included at valuation is:

	£
Cost:	
At 1 st November 2004	1,885,605
Additions	3,250
	<hr/>
At 31 st October 2005	1,888,855
	<hr/>
Depreciation based on cost:	
At 1 st November 2004	106,827
Charge for the year	21,477
	<hr/>
At 31 st October 2005	128,304
	<hr/>
Net book value:	
At 31 st October 2005	£ 1,760,551
	<hr/>
At 31 st October 2004	£ 1,778,778
	<hr/>

The company's freehold property is shown at the directors' valuation of £4,750,000 after taking advice from independent professional valuers in 1998 plus subsequent additions at cost. Included in freehold property is land valued at £3,481,454 which is not depreciated.

No provision has been made in these accounts for taxation which might arise in the event of the property being sold at the revalued amount.

9. STOCK

	2005	2004
Goods for resale and consumables	£ 33,408	£ 32,149
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

10. DEBTORS

	2005	2004
	£	£
Trade debtors	57,762	51,617
Amounts owed by associated undertakings	8,377	-
Prepayments and accrued income	14,158	17,328
	<hr/>	<hr/>
	£ 80,297	£ 68,945
	<hr/>	<hr/>

11. CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Hire purchase and finance lease liabilities	26,522	9,156
Bank overdraft	-	15,868
	<hr/>	<hr/>
Debt due within one year	26,522	25,024
Trade creditors	83,570	62,965
Amounts owed to group undertakings	25,634	82,400
Amounts owed to associated undertakings	-	4,466
Amounts owed to related undertakings	2,789	1,692
Other taxes and social security costs	42,075	53,122
Corporation Tax liability	5,700	4,469
Other creditors	54,049	38,046
Accruals and deferred income	353,666	334,483
	<hr/>	<hr/>
	£ 594,005	£ 606,667
	<hr/>	<hr/>

Amounts owed to related companies consist of £2,789 (2004: £1,692) due to Hilliard Brothers (Ewell) Limited, a company under the common control of the directors.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

12. CREDITORS: amounts falling due after more than one year

	2005 £	2004 £
Debenture loans	25,000	26,000
Due to parent company	947,331	929,851
Hire purchase and finance lease liabilities	21,659	6,926
	<hr/>	<hr/>
	£ 993,990	£ 962,777
	<hr/>	<hr/>

The debentures which do not bear interest, are repayable upon the debenture holder ceasing to be a member of the golf club.

Hire purchase and finance lease liabilities are repayable as follows:

	2005 £	2004 £
Repayable within one year	28,751	9,860
Repayable between one and five years	22,359	7,187
	<hr/>	<hr/>
	51,110	17,047
Finance charges and interest allocated to future accounting periods	(2,929)	(965)
	<hr/>	<hr/>
	48,181	16,082
Included in liabilities falling due within one year	(26,522)	(9,156)
	<hr/>	<hr/>
	£ 21,659	£ 6,926
	<hr/>	<hr/>

13. PROVISION FOR LIABILITIES AND CHARGES

	2005 £	2004 £
Deferred Taxation		
Balance at 1 st November 2004	40,000	49,000
Transferred to profit and loss account	(3,000)	(9,000)
	<hr/>	<hr/>
Balance at 31 st October 2005	£ 37,000	£ 40,000
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

14. CALLED UP SHARE CAPITAL

	2005	2004
Authorised 30,100 Ordinary shares of £1 each	£ 30,100	£ 30,100
	<hr/>	<hr/>
Allotted, issued and fully paid 30,100 Ordinary shares of £1 each	£ 30,100	£ 30,100
	<hr/>	<hr/>

15. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation Reserve	Profit and Loss Account
	£	£
Balance at 1 st November 2004	2,914,426	409,791
Retained result for the year	-	(6,360)
Transfer from revaluation reserve to profit and loss account	(5,523)	5,523
	<hr/>	<hr/>
Balance at 31 st October 2005	£ 2,908,903	£ 408,954
	<hr/>	<hr/>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	143,640	72,428
Dividends	(150,000)	(50,000)
	<hr/>	<hr/>
Net adjustment to shareholders' funds	(6,360)	22,428
Opening shareholders' funds	3,354,317	3,331,889
	<hr/>	<hr/>
Closing shareholders' funds	£ 3,347,957	£ 3,354,317
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

17. CONTINGENT LIABILITIES

The company has guaranteed jointly with other group companies, the group bank loan and overdraft facilities. The company's freehold property is charged as security for the bank advances covered by the above guarantee. No liabilities are expected to arise from those guarantees.

18. EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2005 Number	2004 Number
Golf	15	15
Catering	26	23
	<hr/>	<hr/>
	41	38
	<hr/>	<hr/>
Employment costs	£	£
Wages and salaries	566,274	531,787
Social security costs	43,207	43,099
	<hr/>	<hr/>
	£ 609,481	£ 574,886
	<hr/>	<hr/>

19. CONTROL

The company is controlled by its holding company, Dwellcourt Limited, a company registered in England and Wales. The company's ultimate controlling party is the director, T A Hilliard, OBE, who owned 58.48% of the issued share capital of Dwellcourt Limited on 31st October 2005.

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No. 8 from the requirement to make disclosures concerning transactions with group undertakings on the grounds that the company has been included in the group financial statements of its holding company.