

KINGSWOOD GOLF & COUNTRY CLUB LIMITED
REPORT AND ACCOUNTS
31st OCTOBER 2006



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 2006

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

DIVIDENDS

An ordinary dividend amounting to £40,000 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 has 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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates which are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records that 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

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

By order of the Board


J T Hilliard
Secretary

15 August 2007

**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 2006 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

(Continued)

Basis of audit opinion

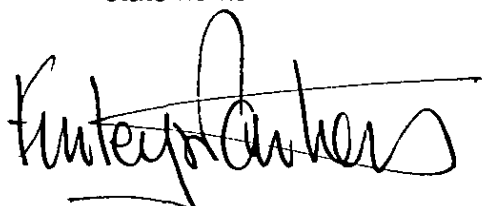
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st October 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



FINLEY & PARTNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent

15 August 2007

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 2006

	Notes	£	2006 £	£	2005 £
TURNOVER	2		1,643,682		1,689,539
Cost of sales			981,858		915,317
			<hr/>		<hr/>
GROSS PROFIT			661,824		774,222
Administrative expenses			562,530		558,467
			<hr/>		<hr/>
OPERATING PROFIT	3		99,294		215,755
Interest receivable	4	-		2,313	
Interest payable and similar charges	5	(2,394)		(2,353)	
			<hr/>	<hr/>	
			(2,394)		(40)
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			96,900		215,715
Tax on profit on ordinary activities	6		41,106		72,075
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15		£ 55,794		£ 143,640
			<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 2006

	Notes	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible assets	8		4,769,551		4,844,214
CURRENT ASSETS					
Stock	9	27,485		33,408	
Debtors	10	126,321		80,297	
Cash at bank and in hand		40,590		15,033	
			<hr/>	<hr/>	
			194,396	128,738	
CREDITORS amounts falling due within one year	11	500,903		594,005	
			<hr/>	<hr/>	
NET CURRENT LIABILITIES			(306,507)	(465,267)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>	<hr/>	
			4,463,044	4,378,947	
CREDITORS amounts falling due after more than one year	12	1,075,293		993,990	
PROVISIONS FOR LIABILITIES AND CHARGES	13	24,000		37,000	
			<hr/>	<hr/>	
			1,099,293	1,030,990	
			<hr/>	<hr/>	
			£ 3,363,751	£ 3,347,957	
			<hr/>	<hr/>	
CAPITAL AND RESERVES					
Called up share capital	14		30,100	30,100	
Revaluation reserve	15		2,903,380	2,908,903	
Profit and loss account	15		430,271	408,954	
			<hr/>	<hr/>	
Shareholders' funds - equity interests	16		£ 3,363,751	£ 3,347,957	
			<hr/>	<hr/>	

T A Hilliard, OBE

) Directors

J T Hilliard

Authorised for issue 15 August 2007

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 £306,507 (2005 £465,267), 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

	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	87,869	99,529
Hire of equipment	8,378	9,174
Auditors' remuneration	7,000	7,000
Employment costs (note 18)	638,663	609,481
	<hr/>	<hr/>

4 INTEREST RECEIVABLE

	2006	2005
Corporation Tax repayment supplement	£ -	£ 2,313
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

5 INTEREST PAYABLE

	2006	2005
	£	£
Hire purchase and finance lease charges	2,229	2,181
Other interest	165	172
	<hr/>	<hr/>
	£ 2,394	£ 2,353
	<hr/>	<hr/>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006	2005
	£	£
U K corporation tax at 30% (2005 – 19%)	32,490	5,700
Payment in respect of group relief	21,616	69,375
	<hr/>	<hr/>
Current tax charge	54,106	75,075
Deferred tax		
Transfer from deferred taxation	(13,000)	(3,000)
	<hr/>	<hr/>
	£ 41,106	£ 72,075
	<hr/>	<hr/>

Reconciliation of current tax charge for the year.

	2006	2005
	£	£
Profit on ordinary activities before taxation	96,900	215,715
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation Tax at 30%	29,070	64,714
Effects of		
Non-deductible expenses	19,947	5,654
Depreciation	26,360	29,858
Capital allowances	(19,801)	(21,851)
Adjustment for liability at lower rates	(1,470)	(3,300)
	<hr/>	<hr/>
	25,036	10,361
	<hr/>	<hr/>
Current tax charge	£ 54,106	£ 75,075
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7 DIVIDENDS

	2006	2005
Ordinary final paid	£ 40,000	£ 150,000

8 TANGIBLE FIXED ASSETS

	Freehold property	Fixtures, fittings, plant and machinery	Cups and trophies	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 st November 2005	4,831,454	694,690	50,000	7,250	5,583,394
Additions	-	13,206	-	-	13,206
Disposals	(-)	(273,793)	(-)	(-)	(273,793)
At 31 st October 2006	4,831,454	434,103	50,000	7,250	5,322,807
Depreciation					
At 1 st November 2005	162,000	519,930	50,000	7,250	739,180
Charge for the year	27,000	60,869	-	-	87,869
Disposals	(-)	(273,793)	(-)	(-)	(273,793)
At 31 st October 2006	189,000	307,006	50,000	7,250	553,256
Net book value					
At 31 st October 2006	£ 4,642,454	£ 127,097	£ -	£ -	£ 4,769,551
At 31 st October 2005	£ 4,669,454	£ 174,760	£ -	£ -	£ 4,844,214

The net book value of fixtures, fittings, plant and machinery includes an amount of £45,248 (2005 £55,522) 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 (2005 £10,274).

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 2005 and 31 st October 2006	1,888,855
	<hr/>
Depreciation based on cost	
At 1 st November 2005	128,304
Charge for the year	21,477
	<hr/>
At 31 st October 2006	149,781
	<hr/>
Net book value	
At 31 st October 2006	£ 1,739,074
	<hr/>
At 31 st October 2005	£ 1,760,551
	<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

	2006	2005
Goods for resale and consumables	£ 27,485	£ 33,408
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

10 DEBTORS

	2006 £	2005 £
Trade debtors	68,195	57,762
Amounts owed by group undertakings	1,494	-
Amounts owed by associated undertakings	44,054	8,377
Prepayments and accrued income	12,578	14,158
	<hr/>	<hr/>
	£ 126,321	£ 80,297
	<hr/>	<hr/>

11 CREDITORS: amounts falling due within one year

	2006 £	2005 £
Hire purchase and finance lease liabilities	19,048	26,522
	<hr/>	<hr/>
Debt due within one year	19,048	26,522
Trade creditors	71,665	83,570
Amounts owed to group undertakings	29,256	25,634
Amounts owed to associated undertakings	2,687	-
Amounts owed to related undertakings	7,812	2,789
Other taxes and social security costs	53,305	42,075
Corporation Tax liability	32,490	5,700
Other creditors	48,672	54,049
Accruals and deferred income	235,968	353,666
	<hr/>	<hr/>
	£ 500,903	£ 594,005
	<hr/>	<hr/>

Amounts owed to related companies consist of £7,812 (2005 £2,789) 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

	2006 £	2005 £
Debenture loans	24,000	25,000
Due to parent company	1,048,682	947,331
Hire purchase and finance lease liabilities	2,611	21,659
	<hr/>	<hr/>
	£ 1,075,293	£ 993,990
	<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

	2006 £	2005 £
Repayable within one year	19,725	28,751
Repayable between one and five years	2,634	22,359
	<hr/>	<hr/>
	22,359	51,110
Finance charges and interest allocated to future accounting periods	(700)	(2,929)
	<hr/>	<hr/>
	21,659	48,181
Included in liabilities falling due within one year	(19,048)	(26,522)
	<hr/>	<hr/>
	£ 2,611	£ 21,659
	<hr/>	<hr/>

13 PROVISION FOR LIABILITIES AND CHARGES

	2006 £	2005 £
Deferred Taxation		
Balance at 1 st November 2005	37,000	40,000
Transferred to profit and loss account	(13,000)	(3,000)
	<hr/>	<hr/>
Balance at 31 st October 2006	£ 24,000	£ 37,000
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

14 CALLED UP SHARE CAPITAL

	2006	2005
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 2005	2,908,903	408,954
Profit for the year after taxation	-	55,794
Dividend paid	-	(40,000)
Transfer from revaluation reserve to profit and loss account	(5,523)	5,523
	<hr/>	<hr/>
Balance at 31 st October 2006	£ 2,903,380	£ 430,271
	<hr/>	<hr/>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	55,794	143,640
Dividends	(40,000)	(150,000)
	<hr/>	<hr/>
Net adjustment to shareholders' funds	15,794	(6,360)
Opening shareholders' funds	3,347,957	3,354,317
	<hr/>	<hr/>
Closing shareholders' funds	£ 3,363,751	£ 3,347,957
	<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

	2006 Number	2005 Number
Golf	16	15
Catering	22	26
	<hr/>	<hr/>
	38	41
	<hr/>	<hr/>
Employment costs	£	£
Wages and salaries	591,617	566,274
Social security costs	47,046	43,207
	<hr/>	<hr/>
	£ 638,663	£ 609,481
	<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 2006.

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.