

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31st OCTOBER 2007**

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COMPANIES HOUSE

BREBNERS
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 Reigate Road Ewell Surrey KT17 3BY
Auditors	Brebners 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 2007

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

Financial Key Performance Indicators

	2007	2006
Turnover	£1,751,802	£1,648,682
Increase/(decrease) in turnover	6.5%	(2.7%)
Gross profit %	41.5%	40.2%

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity and cash flow risks are governed by the holding company's requirements. The company maintains its short term flexibility through bank facilities and inter-company borrowings, if required.

The company has no hedging arrangements as at 31st October 2007. The company has no foreign exchange currency risk exposure.

The company governs its own price risk and credit risk based on the directors' requirements to meet the holding company's expectations.

DIVIDENDS

An ordinary dividend amounting to £50,000 has been paid.

DIRECTORS

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

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

Following the merger of Finley & Partners with Brebners, Brebners are deemed to be re-appointed in accordance with Section 386, Companies Act 1985

By order of the Board



J T Hilliard
Secretary

26 August 2008

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 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, 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 AUDITORS 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 2007 and of its profit 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



BREBNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent

28th August 2008

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 2007

	Notes	2007 £	2006 £
TURNOVER	2	1,751,802	1,643,682
Cost of sales		1,023,952	981,858
		<hr/>	<hr/>
GROSS PROFIT		727,850	661,824
Administrative expenses		606,092	562,530
		<hr/>	<hr/>
OPERATING PROFIT	3	121,758	99,294
Interest payable and similar charges	4	(4,958)	(2,394)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		116,800	96,900
Tax on profit on ordinary activities	5	46,196	41,106
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	£ 70,604	£ 55,794
		<hr/>	<hr/>

All of the company's operations are classed as continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31st OCTOBER 2007

	2007 £	2006
Profit for the financial year attributable to Shareholders	70,604	55,794
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	6,030	5,523
	<hr/>	<hr/>
Total gains and losses recognised since the last annual report	£ 76,634	£ 61,317
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

BALANCE SHEET

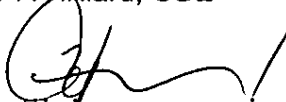
AT 31st OCTOBER 2007

	Notes	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible assets	7		4,807,535		4,769,551
CURRENT ASSETS					
Stock	8	31,544		27,485	
Debtors	9	90,999		126,321	
Cash at bank and in hand		2,200		40,590	
		124,743		194,396	
CREDITORS amounts falling due within one year	10	556,020		500,903	
NET CURRENT LIABILITIES			(431,277)		(306,507)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,376,258		4,463,044
CREDITORS amounts falling due after more than one year	11	962,903		1,075,293	
PROVISIONS FOR LIABILITIES AND CHARGES	12	29,000		24,000	
			991,903		1,099,293
			£ 3,384,355		£ 3,363,751
CAPITAL AND RESERVES					
Called up share capital	13		30,100		30,100
Revaluation reserve	14		2,897,350		2,903,380
Profit and loss account	14		456,905		430,271
Shareholders' funds - equity interests	15		£3,384,355		£ 3,363,751



T A Hilliard, OBE

) Directors



J T Hilliard

Authorised for issue  August 2008

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 £431,277 (2006 £306,507), the financial statements have been prepared on a going concern basis for the following reason

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)

1 ACCOUNTING POLICIES (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.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

Stock

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

Deferred taxation

Deferred taxation is provided in full in respect of all timing differences that have originated, but are not reversed by the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	90,594	87,869
Hire of equipment	12,131	8,378
Auditors' remuneration	7,200	7,000
Employment costs (note 17)	658,855	638,663
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

4 INTEREST PAYABLE

	2007	2006
Hire purchase and finance lease charges	4,591	2,229
Other interest	367	165
	<hr/>	<hr/>
	£ 4,958	£ 2,394
	<hr/>	<hr/>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
U K corporation tax at 30% (2006 – 30%)	41,067	32,490
Payment in respect of group relief	-	21,616
Adjustment in respect of prior year	129	-
	<hr/>	<hr/>
Current tax charge	41,196	54,106
Deferred tax		
Transfer to/(from) deferred taxation	5,000	(13,000)
	<hr/>	<hr/>
	£ 46,196	£ 41,106
	<hr/>	<hr/>

Reconciliation of current tax charge for the year

	2007	2006
	£	£
Profit on ordinary activities before taxation	116,800	96,900
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation Tax at 30%	35,040	29,070
Effects of		
Non-deductible expenses	7,118	19,947
Depreciation	26,353	26,360
Capital allowances	(26,731)	(19,801)
Adjustment for liability at lower rates	(713)	(1,470)
Adjustment in respect of prior year	129	-
	<hr/>	<hr/>
	6,156	25,036
	<hr/>	<hr/>
Current tax charge	£41,196	£ 54,106
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

6 DIVIDENDS

	2007	2006
Ordinary final paid	£ 50,000	£ 40,000
	<u> </u>	<u> </u>

7 TANGIBLE FIXED ASSETS

	Freehold property	Fixtures, fittings, plant and machinery	Cups and trophies	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 st November 2006	4,831,454	434,103	50,000	7,250	5,322,807
Additions	22,076	97,803	-	8,699	128,578
Disposals	(-)	(-)	(-)	(7,250)	(7,250)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2007	4,853,530	531,906	50,000	8,699	5,444,135
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 st November 2006	189,000	307,006	50,000	7,250	553,256
Charge for the year	27,507	60,912	-	2,175	90,594
Disposals	(-)	(-)	(-)	(7,250)	(7,250)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2007	216,507	367,918	50,000	2,175	636,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 st October 2007	£ 4,637,023	£ 163,988	£ -	£ 6,524	£ 4,807,535
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 st October 2006	£ 4,642,454	£ 127,097	£ -	£ -	£ 4,769,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of fixtures, fittings, plant and machinery includes an amount of £88,052 (2006 £45,248) in respect of assets held under hire purchase and finance lease contracts. The depreciation charge for the year in respect of those assets was £17,048 (2006 £10,274).

At 31st October 2007 the company had fixed assets costing £257,608 which were fully written down but still in use.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7 TANGIBLE FIXED ASSETS (continued)

The comparable historical cost of freehold property included at valuation is

	£
Cost	
At 1 st November 2006	1,888,855
Additions	22,076
	<hr/>
At 31 st October 2007	1,910,931
	<hr/>
Depreciation based on cost	
At 1 st November 2006	149,781
Charge for the year	21,477
	<hr/>
At 31 st October 2007	171,258
	<hr/>
Net book value	
At 31 st October 2007	£ 1,739,673
	<hr/>
At 31 st October 2006	£ 1,739,074
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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.

8 STOCK

	2007	2006
Goods for resale and consumables	£ 31,544	£ 27,485
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

9 DEBTORS

	2007 £	2006 £
Trade debtors	64,509	68,195
Amounts owed by group undertakings	226	1,494
Amounts owed by associated undertakings	1,041	44,054
Prepayments and accrued income	19,632	12,578
Other debtors	5,591	-
	<hr/>	<hr/>
	£ 90,999	£ 126,321
	<hr/>	<hr/>

10 CREDITORS: amounts falling due within one year

	2007 £	2006 £
Bank overdraft (secured)	59,104	-
Hire purchase and finance lease liabilities	27,649	19,048
	<hr/>	<hr/>
Debt due within one year	86,753	19,048
Trade creditors	72,378	71,665
Amounts owed to group undertakings	19,227	29,256
Amounts owed to associated undertakings	-	2,687
Amounts owed to related undertakings	10,198	7,812
Other taxes and social security costs	44,233	53,305
Corporation Tax liability	41,067	32,490
Other creditors	31,554	48,672
Accruals and deferred income	250,610	235,968
	<hr/>	<hr/>
	£ 556,020	£ 500,903
	<hr/>	<hr/>

The bank overdraft is secured by a charge over the company's freehold property and the assets of other group companies

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

11 CREDITORS: amounts falling due after more than one year

	2007 £	2006 £
Debenture loans	23,500	24,000
Due to parent company	900,987	1,048,682
Hire purchase and finance lease liabilities	38,416	2,611
	<hr/>	<hr/>
	£ 962,903	£ 1,075,293
	<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

	2007 £	2006 £
Repayable within one year	31,426	19,725
Repayable between one and five years	40,307	2,634
	<hr/>	<hr/>
	71,733	22,359
Finance charges and interest allocated to future accounting periods	(5,668)	(700)
	<hr/>	<hr/>
	66,065	21,659
Included in liabilities falling due within one year	(27,649)	(19,048)
	<hr/>	<hr/>
	£ 38,416	£ 2,611
	<hr/>	<hr/>

Hire purchase and finance lease liabilities are secured on the assets to which they relate

12 PROVISION FOR LIABILITIES AND CHARGES

	2007 £	2006 £
Deferred Taxation		
Balance at 1 st November 2006	24,000	37,000
Transferred from/(to) profit and loss account	5,000	(13,000)
	<hr/>	<hr/>
Balance at 31 st October 2007	£ 29,000	£ 24,000
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

13 CALLED UP SHARE CAPITAL

	2007	2006
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/>

14 STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation Reserve	Profit and Loss Account
	£	£
Balance at 1 st November 2006	2,903,380	430,271
Profit for the year after taxation	-	70,604
Dividend paid	-	(50,000)
Transfer from revaluation reserve to profit and loss account	(6,030)	6,030
	<hr/>	<hr/>
Balance at 31 st October 2007	£ 2,897,350	£ 456,905
	<hr/>	<hr/>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	70,604	55,794
Dividends	(50,000)	(40,000)
	<hr/>	<hr/>
Net adjustment to shareholders' funds	20,604	15,794
Opening shareholders' funds	3,363,751	3,347,957
	<hr/>	<hr/>
Closing shareholders' funds	£ 3,384,355	£ 3,363,751
	<hr/>	<hr/>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

16 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.

17 EMPLOYEES

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Golf	15	16
Catering	19	22
	<hr/>	<hr/>
	34	38
	<hr/>	<hr/>
Employment costs	£	£
Wages and salaries	612,319	591,617
Social security costs	46,536	47,046
	<hr/>	<hr/>
	£ 658,855	£ 638,663
	<hr/>	<hr/>

No director received remuneration from the company in the year (2006 - £nil)

18 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 2007.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

NOTES TO THE ACCOUNTS

(Continued)

19 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

	2007 £	2006 £
Amounts owed to related undertakings as shown in Note 10 to the accounts is analysed as follows		
Hilliard Brothers (Ewell) Limited	4,127	7,812
Claredale Warehousing Limited	6,071	-
	<hr/>	<hr/>
	£ 10,198	£ 7,812
	<hr/>	<hr/>

Hilliard Brothers (Ewell) Limited is controlled by the directors, T A and J T Hilliard Mr T A Hilliard also controls Claredale Warehousing Limited

During the year, transactions in the ordinary course of business were as follows

	£
<u>Hilliard Brothers (Ewell) Limited</u>	
Purchases including VAT (where applicable)	£ 28,932
	<hr/>
<u>Claredale Warehousing Limited</u>	
Inter-company borrowing	£ 6,071
	<hr/>