

Company Registration No. 1913760 (England and Wales)

COMPANIES HOUSE COPY

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001



**Hacker
Young**
Chartered Accountants

St Alphage House 2 Fore Street London EC2Y 5DH

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

COMPANY INFORMATION

Directors

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

Secretary

J T Hilliard

Company number

1913760

Registered office

The Downs Farm
140 Reigate Road
Ewell
Surrey
KT17 3BY

Auditors

Hacker Young
St Alphage House
2 Fore Street
London
EC2Y 5DH

Bankers

Barclays Bank Plc
PO Box 15162
50 Pall Mall
London
SW1A 1QB

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 15

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The directors present their report and financial statements for the year ended 31 October 2001.

Principal activities and review of the business

The principal activity of the company, which trades as Kingswood Golf Club, during the year was the maintenance and conduct of a sports complex and of a business of licensed victuallers and restaurateurs.

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.

Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £200,000.

Directors

The following directors have held office since 1 November 2000:

T A Hilliard, OBE

J T Hilliard

D W McClelland

D W B Howsam

Directors' interests

None of the directors held any shares of the company during the year. Their interests in the shares of the parent company are shown in that company's directors' report.

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Hacker Young, will be deemed to be reappointed for each succeeding financial year.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

By order of the board



J T Hilliard

Secretary

28 June 2002



Chartered Accountants

St Alphege House
2 Fore Street
London EC2Y 5DH

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

We have audited the financial statements of Kingswood Golf and Country Club Limited on pages 4 to 15 for the year ended 31 October 2001. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the 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.

Basis of opinion

We conducted our audit in accordance with 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 31 October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hacker Young

Chartered Accountants

Registered Auditors

28 June 2002

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2001

	Notes	2001 £	2000 £
Turnover	2	1,637,423	1,619,479
Cost of sales		(899,786)	(808,063)
Gross profit		737,637	811,416
Administrative expenses		(497,135)	(420,837)
Operating profit	3	240,502	390,579
Interest payable and similar charges	4	(6,785)	(5,073)
Profit on ordinary activities before taxation		233,717	385,506
Tax on profit on ordinary activities	5	(49,443)	(109,633)
Profit on ordinary activities after taxation		184,274	275,873
Dividends	6	(200,000)	(275,000)
Retained (loss)/profit for the year	14	(15,726)	873

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

There are no recognised gains and losses other than those passing through the profit and loss account.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	7		5,072,537		5,038,526
Current assets					
Stocks	8	32,410		36,920	
Debtors	9	204,087		121,524	
Cash at bank and in hand		1,664		28,975	
			<u>238,161</u>		<u>187,419</u>
Creditors: amounts falling due within one year	10	<u>(570,252)</u>		<u>(911,401)</u>	
Net current liabilities			<u>(332,091)</u>		<u>(723,982)</u>
Total assets less current liabilities			4,740,446		4,314,544
Creditors: amounts falling due after more than one year	11		(1,482,110)		(1,039,482)
Provisions for liabilities and charges	12		<u>(36,000)</u>		<u>(37,000)</u>
			<u>3,222,336</u>		<u>3,238,062</u>
Capital and reserves					
Called up share capital	13		30,100		30,100
Revaluation reserve	14		2,930,995		2,936,645
Profit and loss account	14		261,241		271,317
Shareholders' funds - equity interests	15		<u>3,222,336</u>		<u>3,238,062</u>

The financial statements were approved by the Board on 28 June 2002



T A Hilliard, OBE
Director

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

1 Accounting policies

1.1 Basis of preparation and going concern

The financial statements are prepared under the historical cost convention, as modified by the revaluation of the company's freehold property.

Although at the year end the company's current liabilities exceeded its current assets by £332,091 (2000 - £723,982), the financial statements have been prepared on a going concern basis for the following reasons:

The company has assurances from its parent 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. The parent has also agreed to not demand the repayment of the amount currently due by the company.

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.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

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

Freehold property	2%
Fixtures, fittings and plant & machinery	15%
Cups and trophies	5%
Motor vehicles	20%

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 is 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 ("FRS 15") for the first time, the company has not adopted a policy of revaluation of its tangible fixed assets and has decided to carry these assets at their book amounts which reflect the previous directors' revaluations. The company therefore followed the transitional provisions of FRS 15 and the valuation of its freehold property has not been updated.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases 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.

1.6 Stock

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

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	114,806	103,157
Hire of plant and equipment	3,925	8,726
Auditors' remuneration	7,000	7,000

4 Interest payable

	2001 £	2000 £
On bank overdraft	258	273
Finance lease charges	6,527	4,800
	<u>6,785</u>	<u>5,073</u>

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

5	Taxation	2001	2000
		£	£
	Domestic current year tax		
	U.K. corporation tax of 30% (2000 - 30%)	-	68,600
	Adjustment for prior years	(9,057)	(18,467)
	Payment in respect of group relief	59,500	54,500
		<hr/>	<hr/>
	Current tax charge	50,443	104,633
	Deferred tax		
	Deferred tax charge/credit current year	(1,000)	5,000
		<hr/>	<hr/>
		49,443	109,633
		<hr/>	<hr/>
6	Dividends	2001	2000
		£	£
	Ordinary final proposed	200,000	275,000
		<hr/>	<hr/>

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

7 Tangible fixed assets

	Freehold property	Fixtures, fittings and plant & machinery	Cups and trophies	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2000	4,806,622	968,128	50,000	-	5,824,750
Additions	15,224	122,687	-	13,750	151,661
Disposals	-	(524,069)	-	-	(524,069)
At 31 October 2001	4,821,846	566,746	50,000	13,750	5,452,342
Depreciation					
At 1 November 2000	27,000	721,516	37,708	-	786,224
On disposals	-	(524,069)	-	2,844	(521,225)
Charge for the year	27,000	84,296	2,500	1,010	114,806
At 31 October 2001	54,000	281,743	40,208	3,854	379,805
Net book value					
At 31 October 2001	4,767,846	285,003	9,792	9,896	5,072,537
At 31 October 2000	4,779,622	246,612	12,292	-	5,038,526

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 November 2000	1,864,023
Additions	15,224
	<hr/>
At 31 October 2001	1,879,247
	<hr/>
Depreciation based on cost	
At 1 November 2000	21,046
Charge for the year	21,350
	<hr/>
At 31 October 2001	42,396
	<hr/>
Net book value	
At 31 October 2001	1,836,851
	<hr/>
At 31 October 2000	1,842,977
	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings and plant & machinery £
Net book values	
At 31 October 2001	152,255
	<hr/>
At 31 October 2000	120,692
	<hr/>
Depreciation charge for the year	
31 October 2001	40,567
	<hr/>
31 October 2000	29,747
	<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 included at cost. Included in freehold property is land valued at £3,456,622 which is not depreciated.

At 31 October 2001 the company had fixed assets costing £62,166 which were fully written down but still in use.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

8	Stocks	2001 £	2000 £
	Goods for resale and consumables	32,410	36,920

9	Debtors	2001 £	2000 £
	Trade debtors	75,335	49,070
	Amounts owed by parent and fellow subsidiary undertakings	7,826	4,821
	Amounts owed by related companies	1,523	31,263
	Corporation tax	9,057	-
	Other debtors	98,243	27,999
	Prepayments and accrued income	12,103	8,371
		204,087	121,524

The amounts owed by related companies consists of £100 (2000 - £30,000) due from T.A.H. (Spitalfields) Limited and £1,423 (2000 - £1,263) due from Hazelwood Golf Centre Limited, companies are under common control.

10	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts	18,105	-
	Net obligations under finance lease and hire purchase contracts	43,270	29,706
	Trade creditors	66,874	55,637
	Amounts owed to parent and fellow subsidiary undertakings	31,685	47,425
	Amounts owed to related companies	26,380	22,371
	Corporation tax	450	68,600
	Other taxes and social security costs	48,224	61,203
	Other creditors	20,333	24,550
	Accruals and deferred income	314,931	326,909
	Proposed dividend	-	275,000
		570,252	911,401

The amounts owed to related companies consists of £23,475 (2000 - £19,975) due to T.A. Hilliard Limited, £1,965 (2000 - £2,396) due to Hilliard Brothers (Ewell) Limited and £940 (2000 - £nil) due to Claredale Warehousing Limited, companies under common control.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

11 Creditors: amounts falling due after more than one year	2001 £	2000 £
Debenture loans	30,000	32,500
Net obligations under finance leases and hire purchase agreements	36,163	24,190
Due to parent company	1,415,947	982,792
	<u>1,482,110</u>	<u>1,039,482</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	47,493	32,696
Repayable between one and five years	37,733	25,322
	<u>85,226</u>	<u>58,018</u>
Finance charges and interest allocated to future accounting periods	(5,793)	(4,122)
	<u>79,433</u>	<u>53,896</u>
Included in liabilities falling due within one year	(43,270)	(29,706)
	<u>36,163</u>	<u>24,190</u>

The debentures, which do not bear interest, are repayable upon the debenture holder ceasing to be a member of the golf club. The obligations under finance leases are secured by the assets concerned.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 November 2000	37,000
Profit and loss account	(1,000)
	<u>36,000</u>
Balance at 31 October 2001	<u>36,000</u>

Deferred tax is provided at 30% (2000 - 30%) analysed over the following timing differences:

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	-	-	36,000	37,000
Surplus on revaluation of land and buildings	575,000	575,000	-	-
	<u>575,000</u>	<u>575,000</u>	<u>36,000</u>	<u>37,000</u>

No provision for deferred tax on the revaluation of freehold properties has been made as there is no intention of disposing the property in the foreseeable future.

13 Share capital

	2001 £	2000 £
Authorised		
30,100 Ordinary shares of £ 1 each	<u>30,100</u>	<u>30,100</u>
Allotted, called up and fully paid		
30,100 Ordinary shares of £ 1 each	<u>30,100</u>	<u>30,100</u>

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2000	2,936,645	271,317
Retained loss for the year	-	(15,726)
Transfer from revaluation reserve to profit and loss account	(5,650)	5,650
	<hr/>	<hr/>
Balance at 31 October 2001	<u>2,930,995</u>	<u>261,241</u>

15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	184,274	275,873
Dividends	(200,000)	(275,000)
	<hr/>	<hr/>
	(15,726)	873
Other recognised gains and losses	(5,650)	(5,954)
	<hr/>	<hr/>
Net depletion in shareholders' funds	(21,376)	(5,081)
Opening shareholders' funds	3,238,062	3,243,143
	<hr/>	<hr/>
Closing shareholders' funds	<u>3,222,336</u>	<u>3,238,062</u>

16 Contingent liabilities

The company has guaranteed jointly with other group companies, bank advances to the group amounting to £4,265,000 (1998 - £4,542,000). The company's freehold property was charged as security for advances to other group companies covered by the above guarantee. No liabilities are expected to arise from these guarantees.

KINGSWOOD GOLF AND COUNTRY CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Golf	19	19
Catering	23	21
	<u>42</u>	<u>40</u>

Employment costs

	£	£
Wages and salaries	492,691	436,097
Social security costs	36,707	32,670
	<u>529,398</u>	<u>468,767</u>

18 Control

The company was controlled by its parent 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 53.5% of the issued share capital of Dwellcourt Limited on 31 October 2001.

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 parent company. Copies of the group financial statements are available to the public from the parent company's registered office at Downs Farm, 140 Reigate Road, Ewell, Surrey.