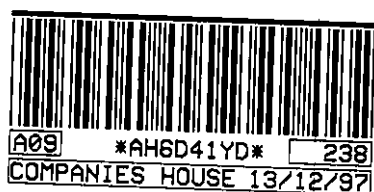


NAUNTON DOWNS GOLF CLUB LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31st MARCH 1997



McGILL & CO

Chartered Accountants & Registered Auditors

Tetbury Road

Cirencester

Gloucestershire

GL7 1US

NAUNTON DOWNS GOLF CLUB LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 1997

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NAUNTON DOWNS GOLF CLUB LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6, together with the financial statements of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31st March 1997.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare accounts under the special provisions of section 246 of the Act referred to in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to prepare accounts under the provisions referred to above and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246 and 247 of the Act, in respect of the year ended 31st March 1997, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with Schedule 8A of the Act.

OTHER INFORMATION

On 5th December 1997 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st March 1997, and the full text of our audit report is reproduced on page 2 of these financial statements.

Tetbury Road
Cirencester
Gloucestershire
GL7 1US

M. G. D. Co.
Chartered Accountants
& Registered Auditors

12-12-1997

NAUNTON DOWNS GOLF CLUB LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31st MARCH 1997

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 company's state of affairs as at 31st March 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Tetbury Road
Cirencester
Gloucestershire
GL7 1US

McGILL & CO
Chartered Accountants
& Registered Auditors

5th December 1997

NAUNTON DOWNS GOLF CLUB LIMITED**ABBREVIATED BALANCE SHEET****31st MARCH 1997**

	Note	1997	1996
		£	£
FIXED ASSETS			
Tangible assets	2	1,726,282	1,702,452
CURRENT ASSETS			
Debtors		77,590	97,286
CREDITORS: Amounts falling due within one year	3	<u>(551,189)</u>	<u>(567,081)</u>
NET CURRENT LIABILITIES		<u>(473,599)</u>	<u>(469,795)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,252,683	1,232,657
CREDITORS: Amounts falling due after more than one year	4	<u>(840,204)</u>	<u>(878,265)</u>
NET ASSETS		<u>412,479</u>	<u>354,392</u>
CAPITAL AND RESERVES			
Called-up share capital	5	800,000	800,000
Profit and loss account		<u>(387,521)</u>	<u>(445,608)</u>
SHAREHOLDERS' FUNDS		<u>412,479</u>	<u>354,392</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 5 Dec. 1997 and are signed on their behalf by:

I.A.D. Wilson
I.A.D. WILSON

NAUNTON DOWNS GOLF CLUB LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31st MARCH 1997****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor Vehicles	- 25% on reducing balance
Plant and equipment	- 25% on reducing balance

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

NAUNTON DOWNS GOLF CLUB LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31st MARCH 1997****2. FIXED ASSETS**

	Tangible Fixed Assets £
COST	
At 1st April 1996	1,855,480
Additions	54,978
Disposals	(5,500)
At 31st March 1997	<u>1,904,958</u>
DEPRECIATION	
At 1st April 1996	153,028
Charge for year	29,020
On disposals	(3,372)
At 31st March 1997	<u>178,676</u>
NET BOOK VALUE	
At 31st March 1997	<u>1,726,282</u>
At 31st March 1996	<u>1,702,452</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997 £	1996 £
Bank loans and overdrafts	<u>439,003</u>	<u>206,036</u>

- 4. CREDITORS: Amounts falling due after more than one year** Included within creditors falling due after more than one year is an amount of £450,000 (1996 - £450,000) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

NAUNTON DOWNS GOLF CLUB LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31st MARCH 1997****5. SHARE CAPITAL****Authorised share capital:**

	1997 £	1996 £
100,000 Ordinary shares of £1.00 each	100,000	100,000
350,000 Preference - "A" redeemable shares of £1.00 each	350,000	350,000
350,000 Preference - "B" redeemable shares of £1.00 each	350,000	350,000
	<u>800,000</u>	<u>800,000</u>

Allotted, called up and fully paid:

	1997		1996	
	No.	£	No.	£
Ordinary shares	100,000	100,000	100,000	100,000
Preference - "A" redeemable shares	350,000	350,000	350,000	350,000
Preference - "B" redeemable shares	350,000	350,000	350,000	350,000
	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

Both "A" and "B" shares are redeemable between 1st January 1996 and 31st December 1998, this redemption being mandatory. These shares do not carry voting or dividend rights and in priority to ordinary shares in the event of a winding up ("A" shares in this event ranking ahead of "B" shares).