

SURREY NATIONAL GOLF CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2005



Company No 2845617 (England and Wales)

SURREY NATIONAL GOLF CLUB LIMITED

COMPANY INFORMATION

Directors	Mr R G Noades Mrs N L Noades Mr S Hodsdon Mr P J Skinner Miss K J Noades
Secretary	Mr P J Skinner
Company Number	2845617
Registered Office	Streete Court Rooks Nest Park Godstone Surrey RH9 8BZ
Auditors	Meyer Williams Chartered Accountants Queen Alexandra House 2 Bluecoats Avenue Hertford Herts SG14 1PB

SURREY NATIONAL GOLF CLUB LIMITED

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SURREY NATIONAL GOLF CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2005

The directors present their report together with the financial statements for the year ended 31st May 2005.

Principal Activities and Review of Business

The company's principal activity continued to be that of the ownership and management of a golf course.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The directors are satisfied with the results for the year.

The directors do not recommend payment of a dividend.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	31st May 2005	1st June 2004
"A" Ordinary Shares of £1		
Mr R G Noades	-	-
Mrs N L Noades	-	-
Mr S Hodsdon	-	-
Mr P J Skinner	-	-
Miss K J Noades – appointed 31 January 2005	-	-
"B" Ordinary Shares of £1		
Mr R G Noades	-	-
Mrs N L Noades	-	-
Mr S Hodsdon	-	-
Mr P J Skinner	-	-
Miss K J Noades – appointed 31 January 2005	-	-

Mr R G Noades has an interest in 100% of the issued share capital of Altonwood Holdings Limited the company's ultimate holding company.

Events Since the End of the Year

There were no post balance sheet events.

Political and Charitable Contributions

The company made no political or charitable contributions during the year.

SURREY NATIONAL GOLF CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2005

Fixed Assets

In the opinion of the directors there is no significant difference between the net book value and open market value of the company's freehold property.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the financial statements 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 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.

Auditors

The auditors, Meyer Williams Chartered Accountants, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

This report was approved by the board on 22nd March 2006, and signed on its behalf.



Mr P J Skinner, Secretary

Date: 22/3/2006

SURREY NATIONAL GOLF CLUB LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE
SHAREHOLDERS OF SURREY NATIONAL GOLF CLUB LIMITED**

We have audited the financial statements of Surrey National Golf Club Limited for the year ended 31 May 2005 on pages 4 to 15. These financial statements have been prepared under the historical cost convention 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 auditors' 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 on page two 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 Report of the Directors 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 Report of the Directors 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 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 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Meyer Williams
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Herts
SG14 1PB
REGISTERED AUDITORS

29/3/06

SURREY NATIONAL GOLF CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
Turnover	2	1,416,192	1,198,227
Cost of Sales		933,836	860,851
Gross Profit		<u>482,356</u>	<u>337,376</u>
Administrative Expenses		<u>306,935</u>	<u>305,168</u>
		175,421	32,208
Other Operating Income		<u>3,102</u>	<u>2,780</u>
Operating Profit	3	178,523	34,988
Exceptional item	5	<u>-</u>	<u>81,000</u>
		178,523	115,988
Interest Receivable		102	116
Interest Payable and Similar Charges	4	(53,114)	(119,011)
Profit/(Loss) on Ordinary Activities before Taxation		<u>125,511</u>	<u>(2,907)</u>
Tax on Profit on ordinary activities	6	-	-
Profit/(Loss) for the Financial Year		<u>125,511</u>	<u>(2,907)</u>
Retained (Loss)/Profit Brought Forward		(29)	2,878
Retained Profit/(Loss) Carried Forward		<u>125,482</u>	<u>(29)</u>

All amounts relate to continuing activities.

There are no recognized gains or losses for 2005 or 2004 other than those included in the profit and loss account.

The notes on pages 7 to 15 form part of these financial statements

SURREY NATIONAL GOLF CLUB LIMITED

BALANCE SHEET

AS AT 31ST MAY 2005

	Notes	2005		2004	
		£	£	£	£
Fixed Assets					
Tangible assets	8		6,238,446		6,222,165
Current Assets					
Stocks	9		30,104		34,301
Debtors	10		64,267		48,779
Cash at bank and in hand			68,993		179,869
			<u>163,364</u>		<u>262,949</u>
Creditors: Amounts Falling Due Within One Year	11		<u>4,165,536</u>		<u>4,354,143</u>
Net Current Liabilities			<u>(4,002,172)</u>		<u>(4,091,194)</u>
Total Assets Less Current Liabilities			<u>2,236,274</u>		<u>2,130,971</u>
Creditors: Amounts Falling Due After More Than One Year	12		<u>2,109,792</u>		<u>2,130,000</u>
			<u><u>126,482</u></u>		<u><u>971</u></u>
Capital and Reserves					
Share capital	15		1,000		1,000
Profit and loss account			125,482		(29)
Shareholders' Funds	16		<u><u>126,482</u></u>		<u><u>971</u></u>

These financial statements were approved by the board on 22nd March 2006 and signed on its behalf.

Mr R G Noades
Director

The notes on pages 7 to 15 form part of these financial statements

SURREY NATIONAL GOLF CLUB LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MAY 2005

	Notes	2005 £	2004 £
CASH FLOW STATEMENT			
Net Cash Inflow from Operating Activities	22	98,371	684,462
Returns on Investments and Servicing of Finance	23	(53,012)	(118,895)
Capital Expenditure and Financial Investment	23	(89,516)	(495,472)
Cash Outflow/(Inflow) Before Use of Liquid Resources and Financing		(44,157)	70,095
Financing	23	(66,719)	(30,152)
(Decrease)/Increase in Cash		(110,876)	39,943
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash in the year		(110,876)	39,943
Cash inflow from decrease in net debt and lease financing	24	66,719	30,152
New finance lease		(20,400)	-
(Decrease)/Increase in Net Debt		(64,557)	70,095
Net Debt at 1st June 2004		(2,015,131)	(2,085,226)
Net Debt at 31st May 2005	24	(2,079,688)	(2,015,131)

The notes on pages 7 to 15 form part of these financial statements

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

1 Accounting policies

Basis of Accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable Accounting and Financial Reporting Standards.

The directors consider that the going concern basis is appropriate on the grounds that the directors of Altonwood Limited (the company's parent undertaking) have confirmed that they will continue to make available adequate facilities to support the company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold property, over their expected useful lives. The rates and periods generally applicable are:

Freehold property	see below
Plant and machinery	20% on cost
Motor vehicles	25% on cost
Furniture and equipment	20% on cost

Although a provision for impairment was made in a previous financial year, depreciation is not provided in respect of freehold property. This policy represents a departure from the rules set out in the Companies Act 1985 which require all fixed assets to be depreciated over their expected useful lives. The company's property is maintained to such a standard that its residual value is not less than its cost and the directors consider that systematic annual depreciation would be inappropriate.

The directors consider that the policy adopted is necessary in order that the Financial Statements give a true and fair view. The amount of depreciation which might otherwise have been provided cannot be separately identified or quantified.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred Taxation

In accordance with Financial Reporting Standard 19 provision is made at current rates for taxation deferred in respect of all material timing differences except those relating to revalued fixed assets.

Cash and liquid resources

For the purposes of the cashflow statement cash and liquid resources is defined as cash at bank and in hand.

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

1 Accounting policies - continued

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the scheme.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalized in the balance sheet and depreciated over their useful lives. The interest element of these obligations represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All payments made under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Related Party Transactions

As disclosed in the related parties note, the parent company is Altonwood Limited and the ultimate parent company is Altonwood Holdings Limited. The results of the company are included in the consolidated financial statements of Altonwood Holdings Limited, which are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.

The company has taken advantage of the exemptions conferred by Financial Reporting Statement 8, "Related Party Disclosures". Transactions and balances with other group companies that are eliminated in the consolidated financial statements of Altonwood Holdings Limited are not disclosed for companies where the ultimate parent company controls 90% or more of the voting rights.

2 Turnover

Turnover is attributable to the principal activity of the company.

The geographical analysis of turnover is as follows:

	2005	2004
	£	£
UK	<u>1,416,192</u>	<u>1,198,227</u>

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

3 Operating Profit

The operating profit is arrived at after charging or crediting:	2005	2004
	£	£
Depreciation on owned assets	95,326	102,658
Hire of equipment – operating leases	2,973	64
Auditors' remuneration – non audit work	140	2,750
Auditors' remuneration	7,520	6,500

4 Interest Payable and Similar Charges

	2004	2003
	£	£
Bank overdrafts and loans	52,532	119,011
Hire purchase and finance leases	582	-
	53,114	119,011

5 Exceptional item

	2005	2004
	£	£
Amount written off group borrowings	-	81,000

6 Taxation

The company has trading losses amounting to £59,851 available to be carried forward.

7 Directors and Employees

Staff costs were as follows:

	2005	2004
	£	£
Wages and salaries	376,795	357,596
Social security costs	28,629	32,468
Other pension costs	3,299	2,591
	408,723	392,655

Directors' emoluments

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The average monthly number of employees, including directors, during the year was as follows:

	2005	2004
	Number	Number
Administration and operational	56	47

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

8 Tangible Fixed Assets

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture And Equipment	Total
Cost	£	£	£	£	£
At 1 st June 2004	7,085,233	356,413	7,358	338,618	7,787,622
Additions	13,861	100,602	-	26,053	140,516
Disposals	-	(49,557)	-	-	(49,557)
At 31st May 2005	7,099,094	407,458	7,358	364,671	7,878,581
Depreciation					
At 1 st June 2004	1,177,423	255,951	7,356	124,727	1,565,457
Charge for year	-	36,217	-	59,109	95,326
Disposals	-	(20,648)	-	-	(20,648)
At 31st May 2005	1,177,423	271,520	7,356	183,836	1,640,135
Net Book Value					
At 31st May 2005	5,921,671	135,938	2	180,835	6,238,446
At 31 st May 2004	5,907,810	100,462	2	213,891	6,222,165

Assets held under Hire purchase and finance lease contracts included in plant and equipment cost £51,000 (2004: £Nil) and have a net book value of £50,150 (£2004: Nil).

9 Stocks

	2005	2004
	£	£
Goods for resale	30,104	34,301

10 Debtors

	2005	2004
	£	£
Trade debtors	5,503	6,590
Other debtors	-	1,226
Prepayments and accrued income	58,764	40,963
	64,267	48,779

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

11	Creditors: Amounts Falling Due Within One Year	2005	2004
		£	£
	Other loans due within one year (Note 14)	32,500	65,000
	Obligations under hire purchase and finance lease contracts (Note 13)	6,389	-
	Trade creditors	108,255	206,242
	Amounts owed to group undertakings	3,572,414	3,742,873
	Other taxes and social security	67,644	41,332
	Other creditors	-	260
	Accruals and deferred income	378,334	298,436
		4,165,536	4,354,143

The bank loans and overdrafts are secured by a Mortgage Debenture dated 27th March 1997 giving a specific charge over all properties owned or leased by the company together with a specific charge over debtors and a fixed and floating charge over all other assets.

Other loans are due to Findtree Limited and are secured by a debenture dated 27th March 1997 giving a specific charge over all properties owned or leased by the company together with a specific charge over debtors and a fixed and floating charge over all other assets.

Included within Amounts owed to group undertakings is a balance of £3,231,040 (2004 £3,425,890) which is secured by a legal charge dated 20 November 2000 over the company's assets.

Obligations under hire purchase and finance lease agreements are secured on the assets which they relate.

12	Creditors: Amounts Falling Due After More Than One Year	2005	2004
		£	£
	Other loans (Note 14)	97,500	130,000
	Bank loans (Note 14)	2,000,000	2,000,000
	Obligations under hire purchase and finance contracts (Note 13)	12,292	-
		2,109,792	2,130,000

See Note 11 for security details.

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

13	Obligations under Finance lease agreements	2005	2004
		£	£
	Gross obligations repayable:		
	Within one year	7,706	-
	Between one and five years	13,209	-
		20,915	-
	Finance charges payable:		
	Within one year	1,317	-
	Between one and five years	917	-
		2,234	-
	Net obligations payable:		
	Within one year	6,389	-
	Between one and five years	12,292	-
		18,681	-
14	Loans	2005	2004
		£	£
	Amounts included in creditors and payable in more than five years by installments:		
	Bank loans	968,484	968,484
	Amounts repayable:		
	In one year or less, or on demand	32,500	65,000
	Between one and two years	258,083	258,083
	Between two and five years	870,933	903,433
		1,161,516	1,226,516
	In five years or more	968,484	968,484
		2,130,000	2,195,000

The bank loan is repayable over ten years and interest is charged at 2.25%.

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

15	Share Capital	2005	2004
		£	£
	Authorised		
	Equity Shares		
	760 "A" Ordinary shares of £1.00 each	760	760
	240 "B" Ordinary shares of £1.00 each	240	240
		1,000	1,000
	Allotted		
	Equity Shares		
	760 Allotted called up and fully paid "A" ordinary shares of £1.00 each	760	760
	240 Allotted, called up and fully paid "B" ordinary shares of £1.00 each	240	240
		1,000	1,000
16	Reconciliation of Shareholders' Funds	2005	2004
		£	£
	Profit/(Loss) for the financial year	125,511	(2,907)
	Increase/(Decrease) in shareholders' funds	125,511	(2,907)
	Opening shareholders' funds	971	3,878
	Closing shareholders' funds	126,482	971

17 Capital Commitments

The company had no capital commitments at 31 May 2005 or at 31 May 2004.

18 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of certain staff. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £3,299 (2004 £2,592).

19 Related Parties

In the directors' opinion the company's parent company and controlling party is Altonwood Limited, a company incorporated in England. The company's ultimate parent company is Altonwood Holdings Limited, a company incorporated in England

The company's ultimate controlling party during the current and previous years has been Mr R G Noades.

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

20 Transactions with Directors

Mr P J Skinner has an interest in the supply of accountancy services to the company which amounted to £10,195 (2003 £10,545).

All transactions are undertaken on normal commercial terms.

21 Contingent Liabilities

The company has given guarantees to its bankers in respect of other group companies which amounted to £755,276 at 31st May 2005 (2004 : £101,210).

22 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2005	2004
	£	£
Operating profit	178,523	34,988
Depreciation charges	95,326	102,658
Profit on sale of fixed assets	(1,691)	(7,500)
Decrease/(Increase) in stocks	4,197	(6,408)
(Increase) in debtors	(15,488)	(1,754)
(Decrease)/Increase in other creditors	(162,496)	481,478
Exceptional item	-	81,000
	<u>98,371</u>	<u>684,462</u>

23 Gross Cash Flows

	2005	2004
	£	£
Returns on Investments and Servicing Finance		
Interest received	102	116
Interest paid	(52,532)	(119,011)
Interest element of hire purchase payments	(582)	
Net cash outflow for returns on investments and servicing of finance	<u>(53,012)</u>	<u>(118,895)</u>
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(120,116)	(502,972)
Proceeds from the sale of fixed assets	30,600	7,500
Net cash outflow from investing activities	<u>(89,516)</u>	<u>(495,472)</u>
Financing		
Bank loan repayments	-	(30,152)
Other loan repayments	(65,000)	-
Bank loans received	-	-
Hire purchase repayments	(1,719)	-
Net cash outflow from financing	<u>(66,719)</u>	<u>(30,152)</u>

SURREY NATIONAL GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2005

24 Analysis of Changes in Net Debt

	2004	Cash flows	Other non – cash changes	2005
	£	£	£	£
Cash				
Cash at bank and in hand	179,869	(110,876)	-	68,993
Debt				
Finance leases	-	1,719	(20,400)	(18,681)
Other loans	(195,000)	65,000	-	(130,000)
Bank loans	(2,000,000)	-	-	(2,000,000)
	<u>(2,195,000)</u>	<u>66,719</u>	<u>(20,400)</u>	<u>(2,148,681)</u>
Total	<u>(2,015,131)</u>	<u>(44,157)</u>	<u>(20,400)</u>	<u>(2,079,688)</u>

Analysis in Balance Sheet

Cash at bank and in hand	179,869	68,993
Finance leases:		
Within one year	-	(6,389)
More than one year	-	(12,292)
Other loans:		
Within one year	(65,000)	(32,500)
More than one year	(130,000)	(97,500)
Bank loans:		
More than one year	(2,000,000)	(2,000,000)
Total	<u>(2,015,131)</u>	<u>(2,079,688)</u>