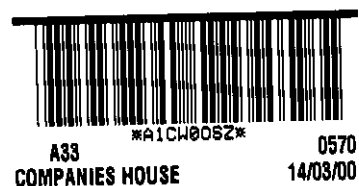


ZIMGOLF (UK) LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999
Company No. 2544608



FORRESTALS
Chartered Accountants



ZIMGOLF (UK) LIMITED

COMPANY INFORMATION

Directors

N B Ferriman
A G Ferriman
C M Ferriman
B Rabot

Secretary

N B Ferriman

Company Number

2544608

Registered Office

311 Heaton Road
Heaton
Newcastle upon Tyne
NE6 5QD

Auditors

Forrestals
Pearl Assurance House
7 New Bridge Street
Newcastle upon Tyne
NE1 8AQ

Bankers

Lloyds Bank Plc
100 Front Street
Chester Le Street
Durham
DH3 3AH

ZIMGOLF (UK) LIMITED

CONTENTS

	Page
Directors' Report	1 to 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 to 9
<i>The following pages do not form part of the statutory financial statements:</i>	
Management Profit and Loss Account	10 to 11

ZIMGOLF (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 1999

The directors present their report together with the audited financial statements for the year ended 30 September 1999.

Principal Activities

The principal activity of the company is that of the provision of holidays.

Directors

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

	Ordinary Shares	
	30 September 1999	1 October 1998
N B Ferriman	30,000	30,000
A G Ferriman	-	-
C M Ferriman	-	-
B Rabot	20,000	10,000

During the year 10,000 £1 Ordinary Shares were issued at par.

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;

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.

ZIMGOLF (UK) LIMITED

DIRECTORS' REPORT

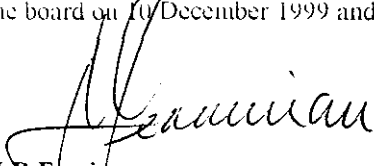
FOR THE YEAR ENDED 30 SEPTEMBER 1999

Auditors

A resolution to reappoint Forrestals, Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 1999) was approved by the board on 10 December 1999 and signed on its behalf.



N B Ferriman
Director

**AUDITORS' REPORT TO THE
SHAREHOLDERS OF ZIMGOLF (UK) LIMITED**



FORRESTALS

Chartered Accountants

Pearl Assurance House
7 New Bridge Street
Newcastle upon Tyne NE1 8AQ
Dx Newcastle upon Tyne 61132
e-mail: mail@forrestals.co.uk
www.forrestals.co.uk

Telephone 0191 2303060
Facsimile 0191 2303061

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective Responsibilities of Directors and 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 financial statements and 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 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 the 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 30 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Chartered Accountants and
Registered Auditors
Date: 10 December 1999**

ZIMGOLF (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	253,083	171,629
Cost of Sales		(201,445)	(138,161)
Gross Profit		51,638	33,468
Administrative Expenses		(52,587)	(36,802)
Other operating income		3,510	-
Operating Profit/Loss	3	2,561	(3,334)
Investment Income		567	1,752
Interest payable		(6,997)	(5,398)
(Loss) on Ordinary Activities before Taxation		(3,869)	(6,980)
Taxation	5	-	139
(Loss) for the Financial Year	13	(3,869)	(6,841)

ZIMGOLF (UK) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 1999

	Notes	£	1999 £	£	1998 £
Fixed Assets					
Tangible assets	6		44,103		44,256
Current Assets					
Debtors	8	16,243		4,348	
Cash at bank and in hand		33,664		23,857	
		49,907		28,205	
Creditors: Amounts Falling Due Within One Year	10	(46,999)		(31,581)	
Net Current Assets/Liabilities			2,908		(3,376)
Total Assets Less Current Liabilities			47,011		40,880
Creditors: Amounts Falling Due After More Than One Year	11		(18,000)		(18,000)
Net Assets			29,011		22,880
Capital and Reserves					
Share capital	12		50,000		40,000
Revaluation reserve	13		2,000		4,000
Profit and loss account	13		(22,989)		(21,120)
Equity Shareholders' Funds			29,011		22,880

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the board on 10 December 1999 and signed on its behalf.


N B Ferriman
Director

ZIMGOLF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1999

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention except that the freehold property is shown at its revalued amount.

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 the freehold investment property over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% per annum, reducing balance
Furniture and equipment	20% per annum, straight line

Investment Property

In accordance with Statement of Standard Accounting Practice No. 19, the investment property is valued annually and the aggregate surplus or deficit is transferred to the revaluation reserve, and no depreciation is provided. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability will crystallise.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Profits or losses on exchange are taken to the profit and loss account.

2 Turnover

In the opinion of the directors, 100% of the turnover of the company is attributable to geographical markets outside the UK. (1998 100%).

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1999	1998
	£	£
Depreciation of owned assets	872	890
Auditors' remuneration	1,500	1,500

ZIMGOLF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1999

4	Directors	1999	1998
		£	£
	Directors' remuneration	1,032	856

5	Taxation	1999	1998
		£	£
	Based on the loss for the year		
	Corporation tax at 21% (1998 22.5%)	-	(140)
	Under provision in earlier years	-	1
		-	(139)

6	Tangible Fixed Assets	Freehold Investment Property £	Plant and machinery etc £	Total £
	Cost or valuation			
	At 1 October 1998	42,000	8,335	50,335
	Additions	-	719	719
	At 30 September 1999	42,000	9,054	51,054
	Depreciation			
	At 1 October 1998	-	6,079	6,079
	Charge for the year	-	872	872
	At 30 September 1999	-	6,951	6,951
	Net Book Value			
	At 30 September 1999	42,000	2,103	44,103
	<i>At 30 September 1998</i>	<i>42,000</i>	<i>2,256</i>	<i>44,256</i>

7	Land and buildings	1999	1998
		£	£
	Historical cost information		
	Freehold land and buildings	40,000	40,000

The property was valued in 1998 on an open market basis.

ZIMGOLF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1999

8	Debtors	1999 £	1998 £
	Other debtors	11,743	4,348
	Directors' loan accounts (Note 9)	4,500	-
		<u>16,243</u>	<u>4,348</u>

9 Transactions with Directors

During the year the company provided a loan to B Rabot. At the year end there was a balance owing to the company of £4,500, being the highest balance during the year. This was repaid after the year end.

10	Creditors: Amounts Falling Due Within One Year	1999 £	1998 £
	Bank overdraft	46	-
	Trade creditors	7,950	8,364
	Other creditors	36,237	20,451
	Directors' loan accounts	2,766	2,766
		<u>46,999</u>	<u>31,581</u>

'Other creditors' include £549 (1998 - £674) in respect of taxation and social security.

11	Amounts Falling Due After More Than One Year	1999 £	1998 £
	Directors' loan	18,000	18,000
		<u>18,000</u>	<u>18,000</u>

There is no fixed repayment date for the above subordinate loan.

12	Share Capital	1999 £	1998 £
	Authorised		
	50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>40,000</u>
	Allotted		
	50,000 Allotted, called up and fully paid ordinary shares of £1 each	<u>50,000</u>	<u>40,000</u>

The company allotted 10,000 £1 ordinary shares at par value during the year.

ZIMGOLF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1999

13 Reserves

	Revaluation Reserve	Profit and Loss Account
	£	£
At 1 October 1998	2,000	(19,120)
Loss for the year	-	(3,869)
At 30 September 1999	2,000	(22,989)

14 Guarantees and Other Financial Commitments

The company has given a bond to the Civil Aviation Authority for £30,000 (1998 £30,000).

15 Related Parties

N B Ferriman is the company's controlling party by virtue of his ownership of 60% of the issued share capital of the company.

N B Ferriman has a subordinated loan to the company of £18,000 (1998 £18,000).

N B Ferriman maintains a current account with the company. At the 30 September 1999 the company owed him £2,766 (1998 £2,766).

Gross interest amounting to £6,997 (1998 £5,330) was paid to N B Ferriman during the year.

N B Ferriman provided a personal guarantee to the bank for £20,000, and he and his wife have assigned life policies to the bank.

B Rabot and his wife provided a legal mortgage to the bank, limited to £35,000.

B Rabot maintains a current account with the company. At 30 September 1999 he owed the company £4,500.