

**CASTLEHAWK GOLF CLUB LIMITED
DIRECTORS REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998**

COMPANY NUMBER: 2488339



CASTLEHAWK GOLF CLUB LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 1998

DIRECTORS

M Vipond
P Entwistle
R P Hall
F B Vipond

SECRETARY

M Brookes

COMPANY NUMBER

2488339

REGISTERED OFFICE

Archer House
Kemp Lodge
3 Kemp Street
Middleton
Manchester
M24 4AA

ACCOUNTANTS

Michael Brookes & Co
Archer House
3 Kemp Street
Middleton
Manchester
M24 4AA

CASTLEHAWK GOLF CLUB LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 1998

The Directors present their report and the financial statements for the year ended 30 June 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company continued to be the provision of Leisure and Golfing facilities and services.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their interests in the shares of the Company are as stated below:-

	Class of Shares	Number of Shares	
		1998	1997
M Vipond	Ordinary	250	250
P Entwistle	Ordinary	250	250
R P Hall	Ordinary	250	250
F B Vipond	Ordinary	-	-

The interests of the Directors in the transactions of the Company are shown in note 11 to these financial statements.

DIRECTOR'S 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 affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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 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 steps for the prevention and detection of fraud and other irregularities.

In the preparation of the Directors Report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By Order of the Board and signed on it's behalf by:-


M BROOKES
Secretary

Date..... 8/9/98

Accountant's Report on the unaudited accounts to the Directors of
Castlehawk Golf Club Limited

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 1998, set out on pages 4 to 12 and you consider that the Company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

DATE: 10th Sept. 1998.



MICHAEL BROOKES & CO
ACCOUNTANTS

Archer House
3 Kemp Street
Middleton
Manchester
M24 4AA

CASTLEHAWK GOLF CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

	1998 £	1997 £
NOTES		
TURNOVER	305780	296004
Cost of Sales	54429	50460
GROSS PROFIT	<u>251351</u>	<u>245544</u>
Administrative Expenses	216664	218711
1. OPERATING PROFIT	<u>34687</u>	<u>26833</u>
Interest Payable	3998	5122
	<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	30689	21711
Taxation on profit on ordinary activities	5999	4866
	<u> </u>	<u> </u>
8. RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	<u>24690</u>	<u>16845</u>

All the company's operations are classed as continuing.

A statement of the movement on reserves appears as Note 8 to these financial statements.

The company did not have any recognised gains or losses other than the profit for the year.

CASTLEHAWK GOLF CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 1998

NOTES	1998		1997	
	£	£	£	£
FIXED ASSETS				
2 Intangible Assets		165890		165890
3 Tangible Assets		46465		46849
		<u>212355</u>		<u>212739</u>
CURRENT ASSETS				
		2885		3419
4 Debtors		7418		3704
Cash at Bank and in Hand		1653		3333
		<u>11956</u>		<u>10456</u>
5 CREDITORS: Amounts falling due within one year	(75003)		(87642)	
NET CURRENT LIABILITIES		<u>(63047)</u>		<u>(77186)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>149308</u>		<u>135553</u>
6 CREDITORS: Amounts falling due after more than one year.		(59280)		(70525)
NET ASSETS		<u>90028</u>		<u>65028</u>
CAPITAL AND RESERVES				
7 Called up share capital		1000		1000
8 Profit and Loss Account		89028		64028
9 Shareholder's funds		<u>90028</u>		<u>65028</u>

We confirm that for the year ended 30 June 1998 the company was entitled to the exemption from carrying out an audit in accordance with subsection 1, Section 249A of the Companies Act 1985 and that no member or members holding at least 10% of the issued share capital of the company have requested an audit pursuant to subsection 2 of Section 249B of the Companies Act 1985.

We acknowledge our responsibilities for ensuring that the company kept accounting records which comply with Section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the Company at 30 June 1998 and of its profit and loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Act relating to the financial statements.

We have taken advantage in the preparation of the financial statements of the special exemptions conferred by Section A of Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the Company qualifies as a small company.

The financial statements on pages 4 to 12 were approved by the Board of Directors on

.....8/9/98..... 19 and signed on its behalf by:

DIRECTOR

CASTLEHAWK GOLF CLUB LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 1998

The following accounting policies have been adopted in preparing the Company's financial statements.

1. ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Companies Act 1985, as applicable to small companies, under the historical cost convention no allowance having been made for changes in the value of money.

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 small company.

2. TURNOVER

Turnover represents the net total of fees earned, subscriptions received and goods sold during the financial year, excluding V.A.T.

3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a reducing balance basis, over its expected useful life, as follows:-

Plant and Machinery 15% on WDV

4. 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.

5. STOCKS

These have been valued on a "first in, first out" basis at the lower of cost and net realisable value.

6. DEFERRED TAXATION

Deferred taxation is provided under the liability method, unless it can be reasonably demonstrated that a liability is unlikely to arise in the foreseeable future.

1. CASTLEHAWK GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

1. OPERATING PROFIT

	1998 £	1997 £
Operating profit is stated after charging:		
Depreciation of tangible assets	6384	6225
Directors emoluments	-	-
	<u> </u>	<u> </u>

2. INTANGIBLE FIXED ASSETS

Intangible fixed assets of £165890 (1997-£165890), relates to the cost of purchased goodwill, the estimated residual value of which, in the opinion of the Directors, is at least equal to the cost and therefore, provision for amortisation is not required.

3. TANGIBLE FIXED ASSETS

	Adaptations to Property £	Plant & Machinery £	Total £
Cost:			
At 1 st July 1997	7350	86971	94321
Additions	-	7000	7000
Disposals	-	(1000)	(1000)
At 30 th June 1998	<u>7350</u>	<u>92971</u>	<u>100321</u>
Depreciation:			
At 1 st July 1997	-	47472	47472
Charged in Year	-	6384	6384
At 30 th June 1998	<u>-</u>	<u>53856</u>	<u>53856</u>
Net Book Values			
At 30 th June 1998	<u>7350</u>	<u>39115</u>	<u>46465</u>
At 30 th June 1997	<u>7350</u>	<u>39499</u>	<u>46849</u>

The net book value of Plant and Machinery etc includes £3488 (1997 £ 4103) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year includes £615 (1997 £737) in respect of those assets.

CASTLEHAWK GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 1998

4. DEBTORS

	1998 £	1997 £
Prepayments	7418	3704

5. CREDITORS amounts falling due within one year

	1998 £	1997 £
Bank Loan and other Loan	11638	11638
Bank Overdraft	33980	28397
Hire Purchase Contracts and Finance Leases	1803	2299
Trade Creditors	17492	9744
Other Creditors	4091	30698
Corporation Tax	5999	4866
	<u>75003</u>	<u>87642</u>

6. CREDITORS amounts falling due after more than one year

	1998 £	1997 £
Director's Loan Accounts	26328	40365
Loans	32912	28357
Net obligations under finance lease and hire purchase contracts	40	1803
	<u>59280</u>	<u>70525</u>
<u>Loans:</u>		
Repayable in over five years	27412	22857
Wholly repayable within five years	17138	17138
Included in Current Liabilities	(11638)	(11638)
	<u>32912</u>	<u>28357</u>

Net Obligations under Finance Lease
and Hire Purchase Contracts:-

Repayable between one and five years	1843	4102
Finance Charges allocated to future periods		
Included in Current Liabilities	(1803)	(2299)
	<u>40</u>	<u>1803</u>

The aggregate amount of creditors for which security has been given amounted to £ 78530 (1997 £60003).

Finance Lease and Hire Purchase Assets are secured on the assets to which they relate.

CASTLEHAWK GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 1998

7. SHARE CAPITAL

	1998 £	1997 £
Authorised:		
10,000 ordinary shares of £1 each	10000	10000
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1000	1000

8. STATEMENT OF MOVEMENT ON RESERVES

	1998 £	1997 £
At 1 st July 1997	64028	47183
Profit for the Financial Year	24690	16845
Adjustment	310	-
At 30 th June 1998	89028	64028

9. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

	1998 £	1997 £
Net addition to Shareholders' Funds		
Profit for the Financial Year	24690	16845
Shareholders' Funds at 1 st July	65028	48183
Adjustment	310	-
Shareholders' Funds at 30 th June	90028	65028

10. CAPITAL COMMITMENTS

Capital commitments at 30th June 1998, for which provision has not been made in these Financial Statements, were as follows:-

	1998 £	1997 £
Authorised, but not contracted	-	-

CASTLEHAWK GOLF CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 1998

11. TRANSACTIONS WITH DIRECTORS

One of the Directors, Mr M Vipond, has charged the Company during the year, for his services in the capacity of Resident Professional Golfer. Such fees are shown within the profit and loss account under the heading of professional charges and amounted to £23816 (1997 - £22212).

12. GOING CONCERN

The Company gets its day to day working capital requirements through a bank overdraft facility, which, in common with all such facilities is repayable on demand. It has also raised capital through a bank loan and brewery loan together with long term funding provided by its directors. The Company is currently working within its bank overdraft facility. It has also complied with the terms of the bank loan. In 1995, the Company restructured its brewery loan repayment schedule so as to take advantage of improved financing arrangements whilst retaining the provision of the long term services of the brewery itself. It is currently adhering to the revised repayment schedule. The Directors have confirmed their willingness to continue to support the Company for the foreseeable future.

In view of the above, the financial statements have been prepared on a going concern basis and do not contain any adjustments that might be necessary if any of these facilities were to be withdrawn.

CASTLEHAWK GOLF CLUB LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

	1998		1997	
	£	£	£	£
TURNOVER		305780		296004
COST OF SALES:				
Opening Stocks	3419		2750	
Purchases	53895		51129	
	<u>57314</u>		<u>53879</u>	
Closing Stocks	(2885)		(3419)	
	<u> </u>	54429	<u> </u>	50460
GROSS PROFIT		<u>251351</u>		<u>245544</u>
ADMINISTRATIVE EXPENSES:				
Wages & Salaries	50100		62590	
Rent, Rates & Insurance	77002		79205	
Light & Heat	5864		4982	
Repairs, Maintenance & Security	8164		5800	
Course Materials	14379		13954	
Printing, Stationery & Advertising	6643		5680	
Telephone	1855		2169	
Equipment Hire & Leasing	723		758	
Motor Running Expenses	3618		2264	
Professional Fees & Charges	23816		22212	
Accountancy	6576		5808	
Bank Charges	1775		1268	
Subscriptions & Licences	1710		1168	
Sundry Expenses	8055		4628	
Depreciation	6384		6225	
	<u> </u>	(216664)	<u> </u>	(218711)
OPERATING PROFIT		<u>34687</u>		<u>26833</u>
INTEREST PAYABLE				
Bank Interest	3006		4130	
Hire Purchase Interest	992		992	
	<u> </u>	3998	<u> </u>	5122
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>30689</u>		<u>21711</u>