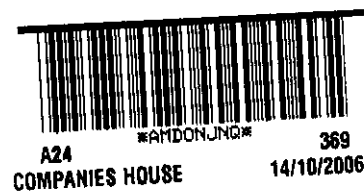


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006  
FOR  
BENTLEY GOLF AND COUNTRY CLUB LIMITED**



**BENTLEY GOLF AND COUNTRY CLUB LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**

**For The Year Ended 30 April 2006**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8</b>
<b>Trading and Profit and Loss Account</b>	<b>16</b>

**BENTLEY GOLF AND COUNTRY CLUB LIMITED**

**COMPANY INFORMATION**

**For The Year Ended 30 April 2006**

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**DIRECTORS:**

Mr C R Green  
Mr C F Knowlden  
Mr D E Scott  
Mrs E A Warwick

**SECRETARY:**

Mrs E A Warwick

**REGISTERED OFFICE:**

Ongar Road  
Brentwood  
Essex  
CM15 9SS

**REGISTERED NUMBER:**

00978089

## **BENTLEY GOLF AND COUNTRY CLUB LIMITED**

### **REPORT OF THE DIRECTORS For The Year Ended 30 April 2006**

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The directors present their report with the financial statements of the company for the year ended 30 April 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of leasing golf facilities.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2006.

#### **FUTURE DEVELOPMENTS**

In July 2006, the company commenced repayment the £1,050,000 bank loan.

#### **DIRECTORS**

The directors during the year under review were:

Mr C R Green

Mr L T Hare

- resigned 30.9.2005

Mr C F Knowlden

Mr D E Scott

Mrs E A Warwick

The directors holding office at 30 April 2006 did not hold any beneficial interest in the issued share capital of the company at 1 May 2005 or 30 April 2006.

In accordance with the Articles of Association, Mr D E Scott will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

#### **COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company has an informal policy on payment of trade creditors. The company endeavours to settle suppliers invoices on the next payment run following expiry of the suppliers payments terms or 31 days from date of receipt of a due and valid invoice. There were no trade creditors outstanding at the year end, however, the ratio expressed in days, between the amounts invoiced to the company by its suppliers in the 2006 financial year and the amounts owed to the company's trade creditors throughout the year was 31 calendar days.

#### **FINANCIAL INSTRUMENTS**

The company has a £1,050,000 bank loan, which is repayable in full 10 years from the date of the advance. The directors entered into a cap and collar arrangement for the period from May 2004 to April 2011. The cap restricts the company's liability to increases in the bank base rate above 6%. The collar restricts the company's ability to benefit from decreases in the bank base rate below 4%.

#### **DIRECTORS INTERESTS IN THE SHARES IN THE ULTIMATE HOLDING COMPANY**

The interests of the directors in the shares in the ultimate holding company are disclosed in that company's financial statements.

# **BENTLEY GOLF AND COUNTRY CLUB LIMITED**

## **REPORT OF THE DIRECTORS**

**For The Year Ended 30 April 2006**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 reasonable steps for the prevention and detection of fraud and other irregularities.

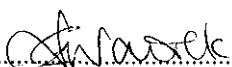
### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

The auditors, Caldwell Penn Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

### **ON BEHALF OF THE BOARD:**

.....  
Mrs E A Warwick - Secretary

Date: 22-8-06

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BENTLEY GOLF AND COUNTRY CLUB LIMITED

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We have audited the financial statements of Bentley Golf and Country Club Limited for the year ended 30 April 2006 on pages five to fifteen. These financial statements have been prepared under 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 three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 audit opinion**

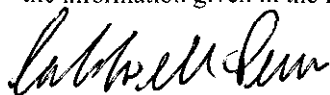
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors is consistent with the financial statements.



Caldwell Penn Chartered Accountants  
Registered Auditor  
1 Bramley Business Centre  
Station Road  
Bramley  
Surrey  
GU5 0AZ

Date: 24 August 2006

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## PROFIT AND LOSS ACCOUNT For The Year Ended 30 April 2006

	Notes	Year Ended 30.4.06 £	£	Period 1.11.03 to 30.4.05 £	£
<b>TURNOVER</b>			30,000		228,661
Continuing operations		30,000		10,000	
Discontinued operations		<u>-</u>		<u>218,661</u>	
Cost of sales	2		<u>-</u>		<u>127,013</u>
<b>GROSS PROFIT</b>	2		30,000		101,648
Net operating expenses	2		<u>60,838</u>		<u>158,493</u>
<b>OPERATING LOSS</b>	4		(30,838)		(56,845)
Continuing operations		(30,838)		(18,056)	
Discontinued operations		<u>-</u>		<u>(38,789)</u>	
Interest receivable and similar income			<u>2,228</u>		<u>1,023</u>
			(28,610)		(55,822)
Interest payable and similar charges	5		<u>66,428</u>		<u>69,863</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(95,038)		(125,685)
Tax on loss on ordinary activities	6		<u>-</u>		<u>(4,496)</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>(95,038)</u>		<u>(121,189)</u>
<b>DEFICIT FOR THE YEAR</b>			<u>(95,038)</u>		<u>(121,189)</u>

The notes form part of these financial statements

**BENTLEY GOLF AND COUNTRY CLUB LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For The Year Ended 30 April 2006**

---

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
<b>LOSS FOR THE FINANCIAL YEAR</b>	(95,038)	(121,189)
Unrealised surplus on revaluation of freehold property	<u>-</u>	<u>1,266,952</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(95,038)</u>	<u>1,145,763</u>

The notes form part of these financial statements

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## BALANCE SHEET

30 April 2006

	Notes	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1,749,164	1,701,257
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	8	215,592	931,445
Debtors: amounts falling due after more than one year	8	500,000	-
Cash in hand		37,428	6,759
		753,020	938,204
<b>CREDITORS</b>			
Amounts falling due within one year	9	270,340	197,498
<b>NET CURRENT ASSETS</b>		482,680	740,706
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,231,844	2,441,963
<b>CREDITORS</b>			
Amounts falling due after more than one year		934,919	1,050,000
<b>NET ASSETS</b>		1,296,925	1,391,963
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	11,000	11,000
Revaluation reserve	15	1,266,952	1,266,952
Profit and loss account	15	18,973	114,011
<b>SHAREHOLDERS' FUNDS</b>	20	1,296,925	1,391,963

ON BEHALF OF THE BOARD:

Mr C R Green - Director

Mr D E Scott - Director

Approved by the Board on

22/8/2006

The notes form part of these financial statements

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 April 2006

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of freehold property and applicable accounting standards.

#### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that 90% or more of the voting rights are controlled Bentley Golf Holdings PLC, which prepares consolidated financial statements in which this company's financial statements are included and which are publicly available.

### 2. ANALYSIS OF OPERATIONS

	Continuing	2006 Discontinued	Total
	£	£	£
Gross profit	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net operating expenses:			
Administrative expenses	<u>60,838</u>	<u>-</u>	<u>60,838</u>

**BENTLEY GOLF AND COUNTRY CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 30 April 2006**

**2. ANALYSIS OF OPERATIONS - continued**

	Continuing £	2005 Discontinued £	Total £
Cost of sales	<u>-</u>	<u>127,013</u>	<u>127,013</u>
Gross profit	<u>10,000</u>	<u>91,648</u>	<u>101,648</u>
Net operating expenses:			
Administrative expenses	<u>28,056</u>	<u>130,437</u>	<u>158,493</u>

**3. STAFF COSTS**

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Wages and salaries	-	123,836
Social security costs	-	12,842
Other pension costs	-	4,680
	<u>-</u>	<u>141,358</u>

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

	Year Ended 30.4.06	Period 1.11.03 to 30.4.05
Management (including directors)	5	5
Course staff	<u>-</u>	<u>4</u>
	<u>5</u>	<u>9</u>

**BENTLEY GOLF AND COUNTRY CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 30 April 2006**

**4. OPERATING LOSS**

The operating loss is stated after charging:

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Hire of plant and machinery	-	519
Other operating leases	25,400	4,233
Depreciation - owned assets	26,538	25,638
Loss on disposal of fixed assets	712	2,052
Auditors' remuneration	<u>1,990</u>	<u>1,750</u>
Directors' emoluments	<u>-</u>	<u>49,302</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Bank interest	-	1,365
Loan interest	<u>66,428</u>	<u>68,498</u>
	<u>66,428</u>	<u>69,863</u>

**6. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Current tax: UK corporation tax	<u>-</u>	<u>(4,496)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(4,496)</u>

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 April 2006

### 6. TAXATION - continued

#### Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Loss on ordinary activities before tax	<u>(95,038)</u>	<u>(125,685)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	(18,057)	(23,880)
Effects of:		
Unprovided deferred tax asset on tax losses	17,500	16,500
Other timing differences	<u>557</u>	<u>2,884</u>
Current tax credit	<u>-</u>	<u>(4,496)</u>

### 7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 May 2005	1,648,535	143,395	103,789	7,400	1,903,119
Additions	21,015	43,142	-	11,300	75,457
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,400)</u>	<u>(7,400)</u>
At 30 April 2006	<u>1,669,550</u>	<u>186,537</u>	<u>103,789</u>	<u>11,300</u>	<u>1,971,176</u>
<b>DEPRECIATION</b>					
At 1 May 2005	-	108,446	87,028	6,388	201,862
Charge for year	-	19,523	4,190	2,825	26,538
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,388)</u>	<u>(6,388)</u>
At 30 April 2006	<u>-</u>	<u>127,969</u>	<u>91,218</u>	<u>2,825</u>	<u>222,012</u>
<b>NET BOOK VALUE</b>					
At 30 April 2006	<u>1,669,550</u>	<u>58,568</u>	<u>12,571</u>	<u>8,475</u>	<u>1,749,164</u>
At 30 April 2005	<u>1,648,535</u>	<u>34,949</u>	<u>16,761</u>	<u>1,012</u>	<u>1,701,257</u>

Depreciation has not been provided on freehold buildings because the depreciation charge and accumulated depreciation are immaterial. This is due to the high estimated residual value of the freehold buildings at the end of their anticipated useful economic life to the company.

A review for impairment, in accordance with Financial Reporting Standard No 11 - Impairment of fixed assets and goodwill, is made at the end of each reporting period.

**BENTLEY GOLF AND COUNTRY CLUB LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 30 April 2006****7. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 30 April 2006 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2005	1,234,539	-	-	-	1,234,539
Cost	<u>435,011</u>	<u>186,537</u>	<u>103,789</u>	<u>11,300</u>	<u>736,637</u>
	<u>1,669,550</u>	<u>186,537</u>	<u>103,789</u>	<u>11,300</u>	<u>1,971,176</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2006 £	2005 £
Cost	<u>435,011</u>	<u>413,996</u>
Value of land in freehold land and buildings	<u>435,011</u>	<u>413,996</u>

Freehold property was valued on an open market basis on 30 April 2004 by Strutt & Parker.

**8. DEBTORS**

	2006 £	2005 £
Amounts falling due within one year:		
Other debtors	-	3,774
Amounts due from holding company	215,592	925,749
Corporation tax	<u>-</u>	<u>1,922</u>
	<u>215,592</u>	<u>931,445</u>
Amounts falling due after more than one year:		
Amounts due from holding company	<u>500,000</u>	<u>-</u>
Aggregate amounts	<u>715,592</u>	<u>931,445</u>

No deferred tax asset has been recognised in these financial statements in respect of tax losses. This is due to the uncertainty as to when the asset will be recovered, which will depend upon the company's future taxable profits. Subject to the agreement of H M Revenue and Customs, there are tax losses carried forward of approximately £180,000 (2005 - £88,000), which if provided for would result in a deferred tax asset of approximately £34,000 (2005 - £16,500).

**BENTLEY GOLF AND COUNTRY CLUB LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****For The Year Ended 30 April 2006****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006	2005
	£	£
Bank loans and overdrafts (see note 11)	129,002	63,469
Amounts due to holding company	114,307	115,307
Other creditors and accruals	<u>27,031</u>	<u>18,722</u>
	<u>270,340</u>	<u>197,498</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2006	2005
	£	£
Bank loans (see note 11)	<u>934,919</u>	<u>1,050,000</u>

**11. LOANS**

An analysis of the maturity of loans is given below:

	2006	2005
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>129,002</u>	<u>63,469</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>110,932</u>	<u>105,570</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>372,810</u>	<u>491,158</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans repayable in more than 5 years	<u>451,177</u>	<u>453,272</u>

The bank loans are secured by a debenture and a legal charge over the assets of the company.

The bank loan of £1,050,000 is repayable in full 10 years (2005 - 15 years) from the date of the advance, commencing 27 months from the date of the advance. When repayments commence, they will be quarterly and amount to £41,556 (2005 - £28,397). The loan bears interest at 1.5% above the banks base rate.

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 April 2006

### 12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2006 £	2005 £
Expiring: Between one and five years	<u>25,400</u>	<u>25,400</u>

### 13. SECURED DEBTS

The following secured debts are included within creditors:

	2006 £	2005 £
Bank loans	<u>1,063,921</u>	<u>1,113,469</u>

### 14. CALLED UP SHARE CAPITAL

Authorised:			2006	2005
Number:	Class:	Nominal value:	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:			2006	2005
Number:	Class:	Nominal value:	£	£
11,000	Ordinary	£1	<u>11,000</u>	<u>11,000</u>

### 15. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 May 2005	114,011	1,266,952	1,380,963
Deficit for the year	<u>(95,038)</u>		<u>(95,038)</u>
At 30 April 2006	<u>18,973</u>	<u>1,266,952</u>	<u>1,285,925</u>

### 16. PENSION COMMITMENTS

Up to 30 April 2004, the company contributed to various defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pensions costs of £nil (2005 - £4,680) represent contributions payable by the company to the schemes.

# BENTLEY GOLF AND COUNTRY CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 April 2006

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### 17. CONTINGENT LIABILITIES

At 30 April 2006, the company had together with Bentley Golf Club Limited guaranteed certain bank overdrafts to a maximum of £95,000. The guarantee is supported by a debenture given by Bentley Golf Club Limited.

At 30 April 2006, the company had together with Bentley Golf Holdings PLC guaranteed certain bank borrowings by means of an unlimited inter company guarantee structure. The guarantee is supported by a debenture given by Bentley Golf Holdings PLC.

### 18. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption provided by Financial Reporting Standard No 8 - Related Party Disclosures, and has not disclosed transactions with fellow group undertakings on the basis that more than 90% of the company's voting rights are controlled within the group.

### 19. ULTIMATE CONTROLLING PARTY

The company's ultimate holding company is Bentley Golf Holdings PLC, a company incorporated in England.

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the financial year	(95,038)	(121,189)
Other recognised gains and losses relating to the year (net)	-	1,266,952
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(95,038)</b>	<b>1,145,763</b>
Opening shareholders' funds	1,391,963	246,200
<b>Closing shareholders' funds</b>	<b>1,296,925</b>	<b>1,391,963</b>
Equity interests	1,296,925	1,391,963