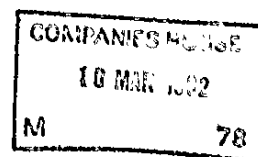


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DONNINGTON VALLEY GROUP PLC

FINANCIAL STATEMENTS

30 JUNE 1991



DONNINGTON VALLEY GROUP PLC

FINANCIAL STATEMENTS

30 JUNE 1991

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REPORT OF THE DIRECTORS TO THE MEMBERS OF

DONNINGTON VALLEY GROUP PLC

The Directors present herewith their report, together with the audited Financial Statements of the Company for the period ended 30 June 1991.

PRINCIPAL ACTIVITIES

The Company was incorporated on 18 January 1990 . Throughout the period the main activity of the Company related to the running of a Golf Club. The Company was also in the process of constructing Donnington Valley Hotel.

RESULTS AND DIVIDENDS

The Company made a loss before tax of £160,262 .
The directors do not recommend payment of a dividend for the current period.

REVIEW OF THE FINANCIAL POSITION AND FUTURE DEVELOPMENTS

The Directors are generally satisfied with the state of the Company's affairs. The hotel was completed after the year end and was formally opened on 29 November 1991.

DIRECTORS

The directors who have served during the year, and have no beneficial interests in the ordinary shares of the company, were as follows:

M.V. Morris (appointed 18 January 1990)
Mrs M.V. Morris (appointed 18 January 1990)
S.A.G. Lloyd (resigned 18 January 1990)
D.J. Dwyer (resigned 18 January 1990)

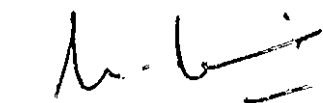
TANGIBLE ASSETS

The movements in fixed assets during the year are set out in note 9 to the Financial Statements.

AUDITORS

During the period Messrs. Feltons were appointed auditors to the Company and have indicated their willingness to stand for re-election. In accordance with Section 384 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the Annual General Meeting.

On Behalf of the Board



M.V. Morris
Director

4 March 1992

AUDITORS' REPORT TO THE MEMBERS OF

DONNINGTON VALLEY GROUP PLC

We have audited the Financial Statements on pages 3 to 12 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 30 June 1991 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



FELTONS

Chartered Accountants
12 Sheet Street
WINDSOR
Berkshire
SL4 1BG

5 March 1992

DONNINGTON VALLEY GROUP PLC
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 1991

	<u>Notes</u>	<u>1990</u> <u>£</u>
SALES	2	410,819
COST OF SALES		(205,487)
GROSS PROFIT		205,332
Administrative Expenses		(142,462)
		62,870
Other Operating Income	3	28
OPERATING PROFIT	4/5	62,898
Interest Receivable	6	17,717
Interest Payable	7	(240,877)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(160,262)
Tax on Ordinary Activities		-
RETAINED DEFICIT CARRIED FORWARD		<u>£(160,262)</u>

DONNINGTON VALLEY GROUP PLC
BALANCE SHEET AT 30 JUNE 1991

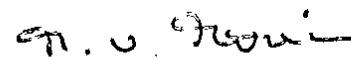
	<u>Notes</u>	<u>1991</u> £
FIXED ASSETS		
Intangible Assets	8	151,500
Tangible Assets	9	5,621,159
Investments	10	102
		<u>5,772,761</u>
CURRENT ASSETS		
Stocks	11	55,984
Debtors	12	380,431
Cash at Bank and in Hand		72,159
		<u>508,574</u>
CREDITORS - amounts falling due within one year	13	(626,599)
NET CURRENT (LIABILITIES)		<u>(118,025)</u>
ASSETS LESS CURRENT LIABILITIES		5,654,736
CREDITORS - amounts falling due after more than one year	14	(4,814,998)
NET ASSETS		<u>£ 839,738</u>
Financed by:		
CAPITAL AND RESERVES		
Called Up Share Capital	15	1,000,000
Profit and Loss Account		(160,262)
		<u>£ 839,738</u>

We approve these Financial Statements and confirm that we have made available all relevant records and information for their preparation.

Director

 4 March 1992

Director

 4 March 1992

DONNINGTON VALLEY GROUP PLCSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED 30 JUNE 1991

	<u>1991</u> £
SOURCE OF FUNDS	
Funds Generated from Operations:	
Loss on Ordinary	
Activities before Taxation	(160,262)
Depreciation	19,177
Total utilised in operations	<u>(141,085)</u>
Funds from other sources:	
Increase in Share Capital	1,000,000
Increase in Long Term Loans	4,814,998
	<u>5,814,998</u>
Total sources of funds	<u>5,673,913</u>
APPLICATION OF FUNDS	
Purchase of Fixed Assets	5,791,836
Purchase of Investments	102
	<u>(5,791,938)</u>
MOVEMENT IN FUNDS	<u>£ (118,025)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	
Stocks	55,984
Debtors	380,431
Creditors	(626,599)
Cash at Bank and in Hand	72,159
	<u>£ (118,025)</u>

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 1991

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

This represents the invoiced value of goods and services supplied by the Company, excluding Value Added Tax.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings - Golf Club	25.0% per annum on cost
Plant and machinery:	25.0% per annum on cost
Motor vehicles:	25.0% per annum on cost

No depreciation has been provided in the period against the hotel's construction and fittings costs, as this was still in progress at the year end.

1.4 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.5 Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

2. ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES

The turnover and pre-tax Loss is wholly attributable to the Company's main activity .

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
30 JUNE 1991

3.	OTHER OPERATING INCOME	<u>1991</u> £
	Sundry income	28
		<u>£ 28</u>
4.	OPERATING PROFIT	<u>1991</u> £
	This is stated after charging:	
	Staff costs (see note 5)	92,446
	Directors' emoluments	8,027
	Auditors' remuneration	5,000
	Depreciation	<u>19,177</u>
5.	EMPLOYEE INFORMATION	<u>1991</u> £
5.1	Staff costs:	
	Wages and salaries	84,946
	Social security costs	7,500
		<u>£ 92,446</u>
5.2	The average weekly number of employees during the year was made up as follows:	No.
	Hotel and Bar	5
	Golf Course Staff	3
	Administration	<u>3</u>

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
30 JUNE 1991

Page 8

6. INTEREST RECEIVABLE

Bank interest receivable
 Other interest receivable

1991
 £
 8,609
 9,108

 £ 17,717

7. INTEREST PAYABLE

On bank overdrafts repayable within 5 years
 On loans repayable within 5 years

1991
 £
 1,398
 239,479

 £240,877

8. INTANGIBLE ASSETS

COST
 Purchased in the period

Goodwill
 £
 £ 151,500

Goodwill arose through the purchase of the golf club during the period. It is being carried at cost in the Company's Financial Statements until completion of the construction of the hotel complex, when it will be written off.

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
30 JUNE 1991

9. TANGIBLE ASSETS	Land and Buildings	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Total
	£	£	£	£	£
COST					
Additions	5,561,707	29,160	28,019	21,450	5,640,336
At 30 June 1991	5,561,707	29,160	28,019	21,450	5,640,336
DEPRECIATION					
Charge for period	-	9,074	7,335	2,768	19,177
At 30 June 1991	-	9,074	7,335	2,768	19,177
NET BOOK VALUE					
At 30 June 1991	£5,561,707	£ 20,086	£ 20,684	£ 18,682	£5,621,159

The net book values of land and buildings comprise:

	<u>1991</u>
	£
Freehold land	2,347,080
Hotel Construction and Fittings	3,214,627
	<u>£5,561,707</u>

10. INVESTMENTS

	<u>1991</u>
	£
Investments in subsidiaries is made up as follows:	
Donnington Valley Golf Club Limited	2
Donnington Valley Hotels Limited	100
	<u>£ 102</u>

These holdings represent 100% ownership of each of the subsidiary companies, which are both dormant. Each of the Companies is incorporated within the United Kingdom and neither is listed on a recognised stock exchange. The accounts of the Subsidiary Companies have not been consolidated.

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
30 JUNE 1991

11.	STOCKS	<u>1991</u> £
	The amounts attributable to the different categories are as follows:	
	Golf shop and Bar stocks	£ 55,984
		<u> </u>
12.	DEBTORS	<u>1991</u> £
	Amounts owed by subsidiaries	112
	Social security and other taxes	196,400
	Other debtors	169,204
	Prepayments	14,715
		<u>£380,431</u>
		<u> </u>
13.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1991</u> £
	Payments received on account	106,983
	Trade creditors	120,124
	Other taxes and social security costs	4,183
	Other creditors	378,379
	Accruals	16,930
		<u>£ 626,599</u>
		<u> </u>

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 1991

14.	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1991</u> £
	Bank loans (see note 14.1)	1,324,780
	Other loans	3,490,218
		<u>£4,814,998</u>

- 14.1 The total amount of bank loans and overdrafts was as follows:

Falling due within one year:	
Bank overdraft	-
Falling due after more than one year:	
Bank loan	<u>1,324,780</u>
Total bank borrowings	<u>£1,324,780</u>

There is no repayment schedule for the bank loan which totals £1,324,780. The rate of interest on the loan is 2% over the Bank's base rate. The loan is secured by a fixed charge over the freehold property and by a fixed charge over the other assets and undertakings of the company.

15. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>
	£	<u>1991</u> £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

During the period 1,000,000 ordinary shares of £1 each were issued at par to provide working capital.

DONNINGTON VALLEY GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
30 JUNE 1991

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

CAPITAL COMMITMENTS

1991
£

Estimated amount contracted but
not provided for in these accounts

£ 650,000