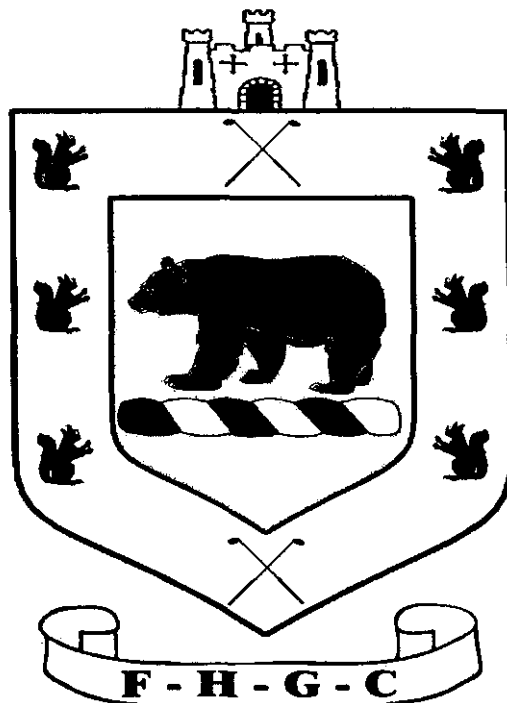


FULFORD HEATH GOLF CLUB LIMITED



REPORT OF THE DIRECTORS

and

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

* * *



COMPANY REGISTRATION NO: 272129

The Directors present their annual report and the audited Accounts of the company for the period ended 31 March 2006

STATEMENT OF THE 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 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 reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company continues to be the provision of Golf and Social facilities.

DIRECTORS

The Directors who served throughout the year are as follows:

C L Barrett	Mrs M Bancroft (appointed 16/11/05)
KG Brown	D Crawley (appointed 16/11/05)
J Dibble (appointed 16/11/05)	K Gwilliam (resigned 10/12/05)
AJ Hill	JW Hughes
M Joiner	IH Jones
DA Moseley	C Rhodes
BJ Wood (resigned 16/11/05)	

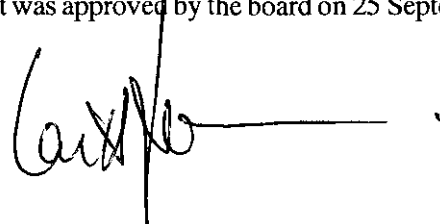
AUDITORS

Wallace Crooke & Co, Chartered Accountants, have indicated their willingness to continue in office, and in accordance with S385 Companies Act 1985 a resolution will be proposed regarding their re-appointment, at the Annual General Meeting.

BOARD APPROVAL

The report of the Directors has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies. The report was approved by the board on 25 September 2006 and signed on its behalf by:-

IH Jones
Chairman



We have audited the Financial Statements on the pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the Company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts 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 Directors' Report is not consistent with the accounts, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 auditor's 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.

Basis of Opinion

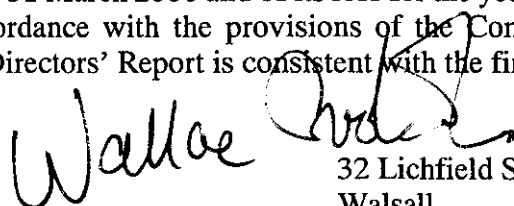
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 mis-statement, 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 applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

Wallace Crooke & Co
Chartered Accountants
Registered Auditor



32 Lichfield Street
Walsall
West Midlands WS1 1TJ

Date: 25 September 2006

FULFORD HEATH GOLF CLUB LIMITED**PROFIT AND LOSS ACCOUNT****PAGE 3****31 MARCH 2006**

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
		£	£
Turnover - continuing operations	2	672,765	651,001
Cost of Sales	3	(84,999)	(77,645)
Gross Profit		<u>587,766</u>	<u>573,356</u>
Administrative Expenses		<u>(600,843)</u>	<u>(562,828)</u>
Operating (Loss)/Profit - continuing operations	4	(13,077)	10,528
Interest Received		4,681	5,871
Interest Payable and Similar Charges	5	(14,868)	(14,792)
(LOSS)/PROFIT ON THE ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE TAXATION		<u>(23,264)</u>	<u>1,607</u>
TAXATION	7	-	64
(LOSS)/PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR AFTER TAXATION	14	<u>(£23,264)</u>	<u>£1,671</u>
		=====	=====

There are no recognised gains and losses other than the loss for the Financial year.

The notes on pages 5 to 9 form part of these Financial Statements.

FULFORD HEATH GOLF CLUB LIMITED

BALANCE SHEET

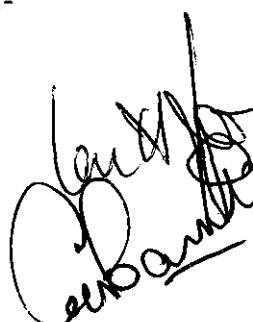
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31 MARCH 2006

	Notes	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible Fixed Assets	8		530,270		557,488
CURRENT ASSETS					
Stocks	9	26,373		27,009	
Debtors	10	3,266		3,695	
Cash at Bank and In Hand		<u>66,876</u>		<u>43,163</u>	
		96,515		73,867	
CREDITORS: Amounts falling due within one year	11	<u>292,956</u>		<u>243,110</u>	
NET CURRENT LIABILITIES			(196,441)		(169,243)
TOTAL ASSETS LESS CURRENT LIABILITIES			333,829		388,245
CREDITORS: Amounts falling due after more than one year	12		<u>190,944</u>		<u>222,096</u>
NET ASSETS			£142,885		£166,149
			=====		=====
CAPITAL AND RESERVES					
Share Capital	13		-		-
Reserves	14		<u>142,885</u>		<u>166,149</u>
			£142,885		£166,149
			=====		=====

The financial statements have been prepared in accordance with the special provisions for small companies of Part VII of the Companies Act 1985, and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The Financial Accounts were approved by the Board of Directors on 25 September 2006 and signed on its behalf by:-


 IH Jones)
)
)
 CL Barrett)
 Directors

The notes on pages 5 to 9 form part of these Financial Statements.

31 MARCH 2006

1 ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the Company's Accounts:-

(a) Accounting Convention

The Accounts are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

(b) Depreciation

Depreciation is calculated so as to write off the cost of Tangible Fixed Assets over their estimated useful lives using the reducing balance method at the following annual rates:

Clubhouse and Fittings	15%
Machinery and Equipment	25%
Course Expenditure	20%

The Clubhouse redevelopment is being depreciated over the period of the lease.

(c) Stocks

Stocks of Supplies have been valued at cost on a first in first out basis. The bases of valuation have been consistently applied at 31 March 2006 and 31 March 2005. The Directors are of the opinion that the Net Realisable Value of Stocks is not lower than cost.

(d) Lease and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives.

Interest charges are allocated to the profit and loss account over the period of the contract and represent a constant proportion of the balance of capital outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

2 TURNOVER

Turnover, entirely in the United Kingdom, represents the following goods sold and services provided by the Company during the year, excluding value added tax.

	<u>2006</u>	<u>2005</u>
	£	£
Bar	169,110	139,469
Other as detailed in the Income and Expenditure Account	503,655	511,532
	<u>£672,765</u>	<u>£651,001</u>
	=====	=====

31 MARCH 2006**3** COST OF SALES

The cost of sales relate to Bar Purchases.

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The Profit/(Loss) on ordinary activities is stated after charging the following:-

	<u>2006</u> £	<u>2005</u> £
Depreciation of Tangible Fixed Assets		
- Owned	44,197	49,571
- Held under Hire Purchase Contracts	23,668	20,557
Auditors' Remuneration	1,650	1,500
Operating Leases - Rental of Clubhouse	55,000	55,000
	=====	=====

5 INTEREST PAYABLE

	<u>2006</u> £	<u>2005</u> £
Bank Account Overdraft Interest	65	434
Hire Purchase Interest	3,691	3,048
Bank Loan Interest	11,112	11,310
	<u>£14,868</u>	<u>£14,792</u>
	=====	=====

6 OPERATING LEASE COMMITMENTS

At 31 March 2006 the Company had annual commitments under non-cancellable Operating Leases as set out below:

	<u>Land and</u> <u>Buildings</u>	<u>Other</u>
Operating Leases which expire within 1 year	-	-
In the second to fifth years	-	£960
Over five years	£55,000	-
	=====	=====

7 TAXATION

Corporation Tax at 10% (2005 = 10%) has been provided for the year as follows:-

	<u>2006</u> £	<u>2005</u> £
Charge on Investment Income	468	587
Small Company Relief	(468)	(587)
Overprovision in previous year	-	(64)
	<u>£-</u>	<u>£(64)</u>
	=====	=====

31 MARCH 2006**8 TANGIBLE FIXED ASSETS**

	<u>Total</u> £	<u>Clubhouse & Fittings</u> £	<u>Machinery & Equipment</u> £	<u>Course Expenditure</u> £
Cost Brought Forward	1,254,953	698,689	424,529	131,735
Additions	40,670	-	40,670	-
Disposals	(5,500)	-	(5,500)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL COST	£1,290,123	£698,689	£459,699	£131,735
	=====	=====	=====	=====
Depreciation B/Forward	697,465	274,023	317,936	105,506
Depreciation for Year	67,865	25,809	36,810	5,246
Disposals	(5,477)	-	(5,477)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEPRECIATION	£759,853	£299,832	£349,269	£110,752
	=====	=====	=====	=====
CURRENT NET BOOK VALUE	£530,270	£398,857	£110,430	£20,983
	=====	=====	=====	=====
OPENING NET BOOK VALUE	£557,488	£424,666	£106,593	£26,229
	=====	=====	=====	=====

Included above are the following amounts relating to assets held at the Balance Sheet date under Hire Purchase Contracts.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation Charge for The Year</u>
Course Expenditure	£5,700	£2,782	£2,918	£730
	=====	=====	=====	=====
Machinery and Equipment	£123,986	£55,171	£68,815	£22,938
	=====	=====	=====	=====

9 STOCKS

	<u>2006</u> £	<u>2005</u> £
Bar Supplies	5,357	5,214
Course Consumables	21,016	21,795
	<u> </u>	<u> </u>
	£26,373	£27,009
	=====	=====

10 DEBTORS

	<u>2006</u> £	<u>2005</u> £
Trade Debtors	766	-
Other Debtors and Prepayments	2,500	3,695
	<u> </u>	<u> </u>
	£3,266	£3,695
	=====	=====

31 MARCH 2006

11 CREDITORS: Amounts falling due
within one year

	<u>2006</u>	<u>2005</u>
	£	£
Bank Loan	20,000	20,000
Bank Overdraft	99,069	94,881
Brewery Loan	4,548	4,548
Trade Creditors	49,288	8,138
Corporation Tax	-	-
Other Taxation and Social Security	14,229	5,577
Accruals and Deferred Income	48,398	47,521
1933/1941 5% Debenture Stock	139	139
Hire Purchase	31,141	23,236
Other Creditors	13,432	27,457
Amounts due to Other Funds	12,712	11,613
	<u>£292,956</u>	<u>£243,110</u>
	=====	=====

Bank loans and overdrafts are secured by a debenture covering all of the assets of the Company and the first legal charge over the leasehold property.

12 CREDITORS: Amounts falling due
after more than one year

	<u>Instalments due between two & five years</u>	<u>Instalments due after five years</u>	<u>2006 Total</u>
	£	£	£
Hire Purchase	26,968	-	26,968
Brewery Loan	18,192	5,784	23,976
Bank Loan	80,000	60,000	140,000
	<u>£125,160</u>	<u>£65,784</u>	<u>£190,944</u>
	=====	=====	=====
	<u>Instalments due between two & five years</u>	<u>Instalments due after five years</u>	<u>2005 Total</u>
	£	£	£
Hire Purchase	33,572	-	33,572
Brewery Loan	18,192	10,332	28,524
Bank Loan	80,000	80,000	160,000
	<u>£131,764</u>	<u>£90,332</u>	<u>£222,096</u>
	=====	=====	=====

The Bank Loan and the Brewery Loan are secured.

31 MARCH 2006

13 SHARE CAPITAL

Guarantee not exceeding £0.25 per Member.

14 RESERVES

	<u>2006</u>	<u>2005</u>
	£	£
Balance at 1/4/2005	166,149	164,478
(Loss)/Profit for the Year	(23,264)	1,671
Balance at 31/3/2006	<u>£142,885</u> =====	<u>£166,149</u> =====

15 CAPITAL COMMITMENTS

<u>Authorised and contracted for</u>		<u>Authorised but not contracted for</u>	
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>£ NIL</u>	<u>£ NIL</u>	<u>£ NIL</u>	<u>£ NIL</u>

16 CONTINGENT LIABILITIES

An amount of £42,500 has been deducted from Wedge-Wood Construction Limited's final account in respect of Liquidated and Ascertained Damages relating to the Clubhouse project.

These notes form an integral part of the Accounts.

FULFORD HEATH GOLF CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT

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FOR THE YEAR ENDED 31 MARCH 2006

	<u>2006</u>	<u>2005</u>
Bar Takings	169,110	139,469
Deduct: Bar Purchases	<u>84,999</u>	<u>77,645</u>
	84,111	61,824
 OTHER OPERATING INCOME		
Subscriptions	433,523	409,501
Entrance Fees	3,175	25,380
Green Fees	28,406	34,324
Society Fees	22,137	29,650
Gaming Machine	2,805	3,469
Sundry Receipts	<u>13,609</u>	<u>9,208</u>
	503,655	511,532
Bank Interest	4,681	5,871
	<hr/>	<hr/>
	592,447	579,227

LESS EXPENDITURE

Rent, Rates and Insurance	95,636	90,635
Light, Heat and Power	19,690	11,681
House Expenses	24,750	20,684
Course Expenses	68,727	69,777
Professional's Retainer & Commission	26,314	25,934
Wages and National Insurance	220,350	207,741
Printing, Stationery, Postage & Telephone	6,835	6,446
Cleaning and Laundry	21,693	20,471
Stocktaker's Fees	705	715
Equipment, Rental & Maintenance	8,213	2,739
Incidentals	6,227	6,341
Leasing and Hire of Equipment	2,348	980
Audit and Accountancy	1,650	1,500
Professional Charges	2,741	2,645
Non-Claimable Input VAT	26,367	25,788
Bank Charges & Interest	12,686	12,400
Hire Purchase Interest	3,691	3,048
Depreciation	67,865	70,128
Profit on disposal of fixed assets	(777)	(2,033)
	<hr/>	<hr/>
	615,711	577,620
 (DEFICIT)/SURPLUS FOR THE YEAR	 <u>(£23,264)</u>	 <u>£1,607</u>
	=====	=====