



# REGISTRAR'S COPY

**ALDWARK MANOR HOTEL GOLF AND  
COUNTRY CLUB LIMITED**  
(formerly Hoodco 549 Limited)

**Report and Financial Statements**

**31 July 1998**

Deloitte & Touche  
Gainsborough House  
34-40 Grey Street  
Newcastle upon Tyne  
NE1 6AE



**REPORT AND FINANCIAL STATEMENTS 1998**

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**REPORT AND FINANCIAL STATEMENTS 1998**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B Holbrook	(Appointed 1 July 1997)
L Holbrook	(Appointed 1 July 1997)

**SECRETARY**

B Holbrook	(Appointed 1 July 1997)
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**REGISTERED OFFICE**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

**BANKERS**

Coutts & Co  
8 Park Square East  
Leeds  
LS1 2LH

**SOLICITORS**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Gainsborough House  
34-40 Grey Street  
Newcastle upon Tyne  
NE1 6AE

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the 66 week period from 22 April 1997 to 31 July 1998.

### **ACTIVITIES**

The principal activity of the company is the operation of a hotel and golf club.

### **INCORPORATION**

The company was incorporated on 22 April 1997 under the name of Hoodco 549 Limited and changed its name on 17 July 1997 to Aldwark Manor Hotel and Country Club Limited.

### **SHARE CAPITAL**

On 1 July 1997 an ordinary and special resolution was passed increasing the company's authorised share capital to £2,000,000 ordinary shares of £1 each by the creation of 1,999,900 new ordinary shares of £1 each. On 3 April 1998 an ordinary and special resolution was passed increasing the company's authorised share capital to £2,500,000 ordinary shares of £1 each by the creation of 500,000 ordinary shares of £1 each.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results of the company for this first period of trading and expect the business to grow over the coming years.

### **ACQUISITION**

The company acquired the business and assets of Aldwark Manor Hotel and Golf Club and commenced trading on 23 July 1997.

### **YEAR 2000**

The directors have considered the impact on the company of the year 2000 issue and do not consider that it will have any material effect on the business.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The results for the period are set out in detail on page 5. The directors do not recommend a dividend for the period. The retained losses of £180,920 have been withdrawn from reserves.

### **FIXED ASSETS**

On 23 July 1997 the company acquired tangible fixed assets amounting to £1,399,995 as part of the acquisition of the business. During the period of trading to 31 July 1998 the company spent £822,537 on land and buildings, motor vehicles, fixtures and fittings, office equipment and greenkeepers equipment. A summary of the movements on fixed assets is set out in note 11 on page 10.

No depreciation is provided on freehold buildings as in the opinion of the directors the buildings are maintained regularly at a high standard and any depreciation charge or accumulated depreciation would not be material.

**DIRECTORS' REPORT (continued)****DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1. The directors' beneficial interests in the ordinary shares of the company were as follows:

	<b>B Holbrook 1998</b>	<b>L Holbrook 1998</b>
Ordinary shares	1,765,001	1

Other directors who served during the period were:

E T Rogan	(Appointed 22 April 1997 and resigned 26 June 1997)
E L MacRobert	(Appointed 22 April 1997 and resigned 26 June 1997)
M A Hulls	(Appointed 22 June 1997 and resigned 1 July 1997)

**AUDITORS**

Deloitte & Touche were appointed auditors of the company on 24 August 1998. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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.

By order of the Board

B Holbrook

Secretary



## AUDITORS' REPORT TO THE MEMBERS OF

### ALDWARD MANOR HOTEL GOLF AND COUNTRY CLUB LIMITED (formerly Hoodco 549 Limited)

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 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 of the state of the company's affairs at 31 July 1998 and of its loss for the 66 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

*21 May 1999*


**PROFIT AND LOSS ACCOUNT**  
**66 weeks ended 31 July 1998**

	Note	66 weeks ended 31 July 1998	
		£	£
<b>TURNOVER: continuing operations</b>	2		748,026
Other operating income			32,583
			<hr/>
			780,609
Cost of sales			573,760
			<hr/>
Gross profit			206,849
			<hr/>
Administrative expenses			398,116
			<hr/>
<b>OPERATING LOSS: continuing operations</b>	5		(191,267)
Interest receivable and similar income	6	10,528	
Interest payable and similar charges	7	(181)	10,347
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(180,920)
Tax on loss on ordinary activities	8		-
			<hr/>
<b>LOSS FOR THE FINANCIAL PERIOD</b>	9		(180,920)
			<hr/> <hr/>

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account.

All activities derive from continuing operations arising from acquisitions.

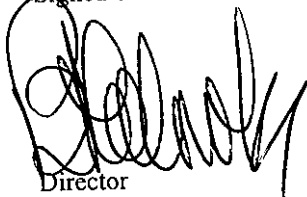


**BALANCE SHEET**  
**31 July 1998**

	Note	£	1998 £
<b>FIXED ASSETS</b>			5
Intangible assets	10		2,134,141
Tangible assets	11		
<b>CURRENT ASSETS</b>			
Stocks	12	33,664	
Debtors	13	56,187	
Cash at bank and in hand		127,696	
		<u>217,547</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	367,611	
<b>NET CURRENT LIABILITIES</b>			<u>(150,064)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,984,082
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		-
			<u>1,984,082</u>
<b>CAPITAL AND RESERVES</b>			2,165,002
Called up share capital	16		(180,920)
Profit and loss account	17		
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>1,984,082</u>

These financial statements were approved by the Board of Directors on 20 May 1999

Signed on behalf of the Board of Directors

  
Director

**NOTES TO THE ACCOUNTS**  
**66 weeks ended 31 July 1998****1. ACCOUNTING POLICIES**

The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Tangible fixed assets**

Depreciation is not provided on freehold land and buildings. No depreciation is provided on freehold buildings as it is the directors intention to maintain the property in a sound state of repair.

Depreciation is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	- 25% reducing balance
Furniture and fittings	- 15% reducing balance
Office, computer and greenkeeping equipment	- 15% reducing balance

**Intangible assets**

Goodwill and other intangible assets are capitalised and amortised over their useful economic lives.

**Acquisitions**

On the acquisition of a business fair values are attributed to the net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and has been capitalised in the Balance Sheet.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price of goods for resale.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is expected that tax will arise.

**Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

**2. TURNOVER**

All the company's turnover and loss before taxation arose from trading within the United Kingdom and from its principal activities.


**NOTES TO THE ACCOUNTS**  
**66 weeks ended 31 July 1998**
**3. ACQUISITIONS AND GOODWILL**

	£
Assets acquired:	
Intangible fixed assets	4
Tangible fixed assets	1,399,995
Current assets	300
	<hr/>
	1,400,299
Consideration – cash	1,400,300
	<hr/>
Goodwill	1
	<hr/>

Fair value has been determined by purchase price. Goodwill has been capitalised.

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No director received any emoluments in the period ended 31 July 1998.

	66 weeks ended 31 July 1998
Average number of persons employed	
Hotel staff	36
Golf staff	5
Administration staff	1
	<hr/>
	42
	<hr/>

	£
Staff costs during the period	
Wages and salaries	304,917
Social security costs	21,923
	<hr/>
	326,840
	<hr/>

**5. OPERATING LOSS**

	66 weeks ended 31 July 1998
Operating loss is after charging:	
Depreciation and amortisation	
Owned assets	88,391
Auditors' remuneration : company audit fees	3,000
: other services	5,000
	<hr/>
And after crediting:	
Profit on disposal of lease	38,146
	<hr/>


**NOTES TO THE ACCOUNTS**  
**66 weeks ended 31 July 1998**
**6. INTEREST RECEIVABLE AND SIMILAR INCOME**
**66 weeks ended  
31 July 1998**

Bank interest	10,528
	<u>10,528</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**
**66 weeks ended  
31 July 1998**

Obligations held under hire purchase agreement	181
	<u>181</u>

**8. TAX ON LOSS ON ORDINARY ACTIVITIES**

There is no charge to corporation tax arising from the result for the period. Subject to Inland Revenue approval, the company has trading losses of approximately £410,000 available to carry forward for offset against future trading profits from the same trade. Of these losses, £80,679 have been offset against the deferred tax liability.

**9. STATEMENT OF MOVEMENTS ON RESERVES**
**Profit and  
loss account  
£**

On incorporation	-
Loss retained for the period	(180,920)
	<u>(180,920)</u>
At 31 July 1998	<u>(180,920)</u>

**10. INTANGIBLE FIXED ASSETS**

	Goodwill £	Intellectual property rights £	Other rights £	Total £
<b>Cost and net book value</b>				
On incorporation	-	-	-	-
Additions	1	1	3	5
	<u>1</u>	<u>1</u>	<u>3</u>	<u>5</u>
At 31 July 1998	<u>1</u>	<u>1</u>	<u>3</u>	<u>5</u>


**NOTES TO THE ACCOUNTS**  
**66 weeks ended 31 July 1998**
**11. TANGIBLE FIXED ASSETS**

	Freehold Land and buildings £	Motor vehicles £	Furniture and fittings £	Office computer and greenkeepers equipment £	Total £
<b>Cost</b>					
On incorporation	-	-	-	-	-
Additions	1,544,977	30,227	79,035	568,293	2,222,532
At 31 July 1998	1,544,977	30,227	79,035	568,293	2,222,532
<b>Accumulated depreciation</b>					
On incorporation	-	-	-	-	-
Charge for the period	-	7,557	11,709	69,125	88,391
At 31 July 1998	-	7,557	11,709	69,125	88,391
<b>Net book value</b>					
At 31 July 1998	1,544,977	22,670	67,326	499,168	2,134,141

**12. STOCKS**

	1998 £
Goods for resale	33,664

**13. DEBTORS**

	1998 £
Trade debtors	10,972
Other debtors	40,466
Prepayments and accrued income	4,749
	56,187

All amounts are due within one year.


**NOTES TO THE ACCOUNTS**

66 weeks ended 31 July 1998

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £
Trade creditors	286,112
Other creditors including taxation and social security	15,975
Accruals and deferred income	65,524
	<u>367,611</u>

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

The amount of deferred tax provided in the financial statements and the potential amounts not provided.

	Provided £	Not provided £
Capital allowances in excess of depreciation	80,679	-
Less unrelieved trade losses	(80,679)	-
	<u>-</u>	<u>-</u>

**16. CALLED UP SHARE CAPITAL**

	1998 £
Authorised 2,500,000 Ordinary shares of £1.00 each	2,500,000
Called up, allotted and fully paid 2,165,002 Ordinary shares of £1.00 each	<u>2,165,002</u>

On 1 July 1997 the authorised share capital of the company was increased to £2,000,000 by the creation of 1,999,900 ordinary shares of £1 each. On 3 April 1998 the share capital was increased to £2,500,000 by the creation of 500,000 ordinary shares of £1 each.


**NOTES TO THE ACCOUNTS**  
 66 weeks ended 31 July 1998

**16. CALLED UP SHARE CAPITAL (CONTINUED)**

Shares issued in the year were:	Nos.	Nominal value £	Consideration £
Ordinary shares of £1 each	2,165,002	2,165,002	2,165,002

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £
Loss for the financial period	(180,920)
Opening shareholders' funds	-
Closing shareholders' funds	(180,920)

**18. CAPITAL COMMITMENTS**

	1998 £
Contracted for but not provided	43,520

**19. RELATED PARTY TRANSACTIONS**

At the financial period end included within creditors due within one year there was an amount of £345 due to Dataform Digital by Aldwark Manor. Purchases during the period amounted to £942. Brad Holbrook is a director of both Aldwark Manor Hotel Golf and County Club Limited and Dataform Digital Limited.