

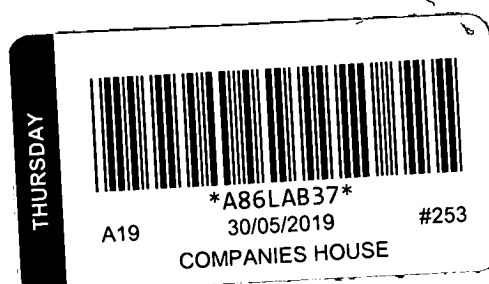
Registration number: 125831

# The Frilford Heath Golf Club Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Critchleys Audit LLP  
Registered Auditors  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP



# **The Frilford Heath Golf Club Limited**

## **Contents**

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 24

# **The Frilford Heath Golf Club Limited**

## **Company Information**

<b>Chairman</b>	A E M Booth
<b>Directors</b>	A E M Booth S P Baxter K Murray P Rivers S Russell
<b>Registered office</b>	The Frilford Heath Golf Club Abingdon Oxfordshire OX13 5NW
<b>Bankers</b>	Barclays Bank plc 2 The Square Abingdon Oxfordshire OX14 5AS
<b>Auditors</b>	Critchleys Audit LLP Registered Auditors Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP

# **The Frilford Heath Golf Club Limited**

## **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

### **Principal activity**

The principal activity of the company is the running of Frilford Heath Golf Club.

### **Fair review of the business**

The profit and loss account is set out on page 9.

Over the past 3 years, the board of Frilford Heath Golf Club decided to make some fundamental changes essential to the long-term success of the club, amid a volatile UK market and a shrinking golf industry.

That volatility in the market continues with the chaos of Brexit, and although the decline in golf membership is slowing, there was still an overall fall of 5% across the country during 2018. Frilford Heath is not immune to changing times, and the changes we have brought in have included a significant turnover of staff, a complete re-engineering of our financial and IT systems, new facilities, investments in new green-keeping machinery, and more.

We are pleased to be able to report that membership at FHGC increased in 2018, bucking the trend across the UK. The number of playing members increased from 1,153 to 1,169. We feel sure that we will continue to grow the membership, as we strive to ensure that Frilford Heath is THE leading golf club for members in a 40 mile radius.

We recognise that change is not always easy, and the results of change are not always immediate, but we believe that change has been necessary if we are to offer existing and new members what they require in the future. Having made so much change, we intend that 2019 will be a year of consolidation, in which we concentrate on building on all of the changes that we have made for the benefit of our members and visitors.

We grew our turnover significantly in 2018, and with our operational infrastructure now fully established, we are in a strong position to grow the business profitably in future years.

As many of you know, two of our Directors decided to retire at the end of the year and we would like to acknowledge the significant contribution made by Paddy Viney and Clem Davies over many years.

We are pleased that we have completed our management and staff recruitment by the end of 2018. Russell Stebbings now has in place an excellent team to deliver the service that we want and our members expect. As a board, we are now confident to leave more of the operational side of the business to Russell Stebbings and Dan Blesovsky and their teams. Their main task is to drive up satisfaction levels among members and encourage even more members to be advocates for Frilford Heath Golf Club.

The Board will continue to plan and develop our thinking for the future, particularly in respect of impending future projects and plans, for example the clubhouse refurbishment.

## **The Frilford Heath Golf Club Limited**

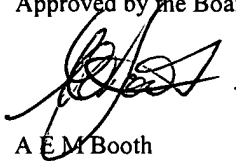
### **Strategic Report for the Year Ended 31 December 2018**

#### **Principal risks and uncertainties**

The main risk to which the company is exposed is a decrease in membership income, particularly in the current economic climate. As an operator in the golf industry, the company is susceptible to economic downturn and the weather.

The directors however continue to take steps to ensure that the quality of its heathland courses is maintained to the highest standards so that golfers, whether they be members or visitors, continue to wish to play at Frilford Heath.

Approved by the Board on 17/4/19 and signed on its behalf by:



A E M Booth  
Chairman

## **The Frilford Heath Golf Club Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors of the company**

The directors who held office during the year were as follows:

A E M Booth - Chairman

S P Baxter

C J Davies (resigned 31 December 2018)

K Murray

P Rivers

S Russell

P Viney (resigned 31 December 2018)

In accordance with the Articles of Association Paul Rivers, Susan Russell and Kevin Murray will retire from the board and, being eligible, will stand for reappointment.

#### **Dividends**

The directors recommend a final dividend payment of £48,600 be made in respect of the financial year ended 31 December 2018. This dividend has not been recognised as a liability in the financial statements.

#### **Financial instruments**

##### ***Objectives and policies***

The company faces a number of risks and uncertainties and the directors believe that the key business risk is a decrease in membership income. In view of this risk and uncertainty, the directors are aware that the development of the company may be affected by factors out of their control.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in Sterling. The company does not enter into any hedging transactions.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 17/4/19 and signed on its behalf by:



A E M Booth  
Chairman

## **The Frilford Heath Golf Club Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **The Frilford Heath Golf Club Limited**

### **Independent Auditor's Report to the Members of The Frilford Heath Golf Club Limited**

#### **Opinion**

We have audited the financial statements of The Frilford Heath Golf Club Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **The Frilford Heath Golf Club Limited**

### **Independent Auditor's Report to the Members of The Frilford Heath Golf Club Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## **The Frilford Heath Golf Club Limited**

### **Independent Auditor's Report to the Members of The Frilford Heath Golf Club Limited**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Andrew Rodzynski FCA (Senior Statutory Auditor)  
For and on behalf of Critchleys Audit LLP, Statutory Auditor

Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

Date: 18/04/19

# **The Frilford Heath Golf Club Limited**

## **Profit and Loss Account for the Year Ended 31 December 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	3	3,069,260	2,525,899
Cost of sales		<u>(519,422)</u>	<u>(339,300)</u>
Gross profit		2,549,838	2,186,599
Administrative expenses		<u>(2,497,900)</u>	<u>(2,346,631)</u>
Operating profit/(loss)	5	<u>51,938</u>	<u>(160,032)</u>
Other interest receivable and similar income	6	<u>12,495</u>	<u>13,201</u>
		<u>12,495</u>	<u>13,201</u>
Profit/(loss) before tax		64,433	(146,831)
Taxation	10	<u>(30,843)</u>	<u>22,447</u>
Profit/(loss) for the financial year		<u><u>33,590</u></u>	<u><u>(124,384)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 24 form an integral part of these financial statements.

# **The Frilford Heath Golf Club Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year	<u>33,590</u>	<u>(124,384)</u>
Total comprehensive income for the year	<u><u>33,590</u></u>	<u><u>(124,384)</u></u>

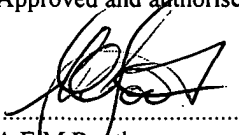
The notes on pages 14 to 24 form an integral part of these financial statements.

# The Frilford Heath Golf Club Limited

(Registration number: 125831)  
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	7,434,141	7,397,194
<b>Current assets</b>			
Stocks	12	144,219	70,085
Debtors	13	82,161	218,991
Cash at bank and in hand		<u>987,540</u>	<u>1,001,307</u>
		1,213,920	1,290,383
<b>Creditors: Amounts falling due within one year</b>	15	<u>(753,193)</u>	<u>(730,782)</u>
<b>Net current assets</b>		<u>460,727</u>	<u>559,601</u>
<b>Total assets less current liabilities</b>		7,894,868	7,956,795
<b>Provisions for liabilities</b>	16	<u>(158,117)</u>	<u>(127,274)</u>
<b>Net assets</b>		<u>7,736,751</u>	<u>7,829,521</u>
<b>Capital and reserves</b>			
Called up share capital	18	4,860,000	4,860,000
Profit and loss account		<u>2,876,751</u>	<u>2,969,521</u>
<b>Total equity</b>		<u>7,736,751</u>	<u>7,829,521</u>

Approved and authorised by the Board on 17/4/19 and signed on its behalf by:

  
A E M Booth  
Chairman

**The Frilford Heath Golf Club Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	4,860,000	2,969,521	7,829,521
Profit for the year	-	33,590	33,590
Total comprehensive income	-	33,590	33,590
Dividends	-	(126,360)	(126,360)
At 31 December 2018	<u>4,860,000</u>	<u>2,876,751</u>	<u>7,736,751</u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	4,860,000	3,220,265	8,080,265
Loss for the year	-	(124,384)	(124,384)
Total comprehensive income	-	(124,384)	(124,384)
Dividends	-	(126,360)	(126,360)
At 31 December 2017	<u>4,860,000</u>	<u>2,969,521</u>	<u>7,829,521</u>

The notes on pages 14 to 24 form an integral part of these financial statements.  
Page 12

# The Frilford Heath Golf Club Limited

## Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		33,590	(124,384)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	181,419	144,856
Profit on disposal of other tangible assets	4	(191,803)	(7,777)
Finance income	6	(12,495)	(13,201)
Income tax expense	10	30,843	(22,447)
		41,554	(22,953)
Working capital adjustments			
Increase in stocks	12	(74,134)	(60,774)
Decrease/(increase) in trade debtors	13	100,129	(118,248)
Increase in trade creditors	15	16,604	91,061
Increase/(decrease) in deferred income, including government grants		52,692	(22,670)
Cash generated from operations		136,845	(133,584)
Income taxes received/(paid)	10	36,701	(36,701)
Net cash flow from operating activities		173,546	(170,285)
<b>Cash flows from investing activities</b>			
Interest received	6	12,495	13,201
Acquisitions of tangible assets		(218,366)	(1,622,050)
Proceeds from sale of tangible assets		191,803	7,777
Net cash flows from investing activities		(14,068)	(1,601,072)
<b>Cash flows from financing activities</b>			
Dividends paid	21	(126,360)	(126,360)
Net increase/(decrease) in cash and cash equivalents		33,118	(1,897,717)
Cash and cash equivalents at 1 January		954,422	2,852,139
Cash and cash equivalents at 31 December	14	987,540	954,422

The notes on pages 14 to 24 form an integral part of these financial statements.

# **The Frilford Heath Golf Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales. Its registered number is 125831.

The address of its registered office is:

The Frilford Heath Golf Club

Abingdon

Oxfordshire

OX13 5NW

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling as this is the currency in which the company's transactions are conducted.

#### **Judgements**

No depreciation is provided on freehold land and buildings as the directors consider that the residual value exceeds "cost" in the accounts.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.



## **The Frilford Heath Golf Club Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives on a straight line basis, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and equipment	over 5 to 20 years
Fixtures and fittings	over 8 years
Computer equipment	over 4 years
Motor vehicles	over 5 years
Irrigation systems	over 10 years

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

# **The Frilford Heath Golf Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## **3 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Provision of goods and services	<u>3,069,260</u>	<u>2,525,899</u>

# The Frilford Heath Golf Club Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2018 £	2017 £
Gain (loss) on disposal of property, plant and equipment	<u>191,803</u>	<u>7,777</u>

### 5 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	181,419	144,856
Operating lease expense	31,116	10,744
Profit on disposal of property, plant and equipment	<u>(191,803)</u>	<u>(7,777)</u>

### 6 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>12,495</u>	<u>13,201</u>

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	1,404,912	1,279,023
Social security costs	115,934	109,810
Pension costs, defined contribution scheme	92,875	82,032
Other employee expense	<u>41,328</u>	<u>-</u>
	<u>1,655,049</u>	<u>1,470,865</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Golf course	22	25
Golf shop	6	1
Clubhouse	18	21
Administration	<u>12</u>	<u>12</u>
	<u>58</u>	<u>59</u>

# **The Frilford Heath Golf Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **8 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>95,806</u>	<u>95,389</u>

### **9 Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>7,200</u>	<u>5,140</u>
<b>Other fees to auditors</b>		
Taxation compliance services	2,500	1,100
All other assurance services	<u>2,441</u>	<u>-</u>
	<u>4,941</u>	<u>1,100</u>

### **10 Taxation**

Tax charged/(credited) in the income statement

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	-	(36,701)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>30,843</u>	<u>14,254</u>
Tax expense/(receipt) in the income statement	<u>30,843</u>	<u>(22,447)</u>

# **The Frilford Heath Golf Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19%).

The differences are reconciled below:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit/(loss) before tax	<u>64,433</u>	<u>(146,831)</u>
Corporation tax at standard rate	12,242	(27,898)
Deferred tax expense from unrecognised temporary difference from a prior period	30,843	14,254
Adjustment to prior period	-	(36,701)
Tax decrease from effect of capital allowances and depreciation	(19,411)	(29,595)
Tax increase/(decrease) from other short-term timing differences	1,128	(632)
Tax increase from effect of unrelieved tax losses carried forward	<u>6,041</u>	<u>58,125</u>
Total tax charge/(credit)	<u>30,843</u>	<u>(22,447)</u>

### **Deferred tax**

Deferred tax assets and liabilities

	<b>Liability</b>
	<b>£</b>
<b>2018</b>	
Accelerated capital allowances	<u>158,117</u>
	<b>Liability</b>
	<b>£</b>
<b>2017</b>	
Accelerated capital allowances	<u>127,274</u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £(17,040) (2017 - £1,900). Tax allowances in respect of anticipated capital expenditure in 2019 are expected to exceed depreciation charged, resulting in an increase in the deferred tax provision.

**The Frilford Heath Golf Club Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**11 Tangible assets**

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Irrigation equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	6,536,707	765,091	1,604,954	947,306	9,854,058
Additions	11,083	36,617	164,792	5,874	218,366
Disposals	-	-	(171,560)	-	(171,560)
Reallocation of balances	-	29,288	-	-	29,288
At 31 December 2018	<u>6,547,790</u>	<u>830,996</u>	<u>1,598,186</u>	<u>953,180</u>	<u>9,930,152</u>
<b>Depreciation</b>					
At 1 January 2018	-	452,421	1,071,410	933,033	2,456,864
Charge for the year	-	71,651	100,023	9,745	181,419
Eliminated on disposal	-	-	(171,560)	-	(171,560)
Reallocation of balances	-	29,288	-	-	29,288
At 31 December 2018	<u>-</u>	<u>553,360</u>	<u>999,873</u>	<u>942,778</u>	<u>2,496,011</u>
<b>Carrying amount</b>					
At 31 December 2018	<u>6,547,790</u>	<u>277,636</u>	<u>598,313</u>	<u>10,402</u>	<u>7,434,141</u>
At 31 December 2017	<u>6,536,707</u>	<u>312,670</u>	<u>533,544</u>	<u>14,273</u>	<u>7,397,194</u>

Included within the net book value of land and buildings above is £6,547,790 (2017 - £6,536,707) in respect of freehold land and buildings.

# The Frilford Heath Golf Club Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 12 Stocks

	2018 £	2017 £
Goods for resale	<u>144,219</u>	<u>70,085</u>

### 13 Debtors

	Note	2018 £	2017 £
Trade debtors		30,352	35,574
Other debtors		-	100,465
Prepayments		51,809	46,251
Income tax asset	10	<u>-</u>	<u>36,701</u>
		<u>82,161</u>	<u>218,991</u>

### 14 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	1,251	1,307
Cash at bank	986,289	-
Short-term deposits	<u>-</u>	<u>1,000,000</u>
	987,540	1,001,307
Bank overdrafts	<u>-</u>	<u>(46,885)</u>
Cash and cash equivalents in statement of cash flows	<u>987,540</u>	<u>954,422</u>

### 15 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	19	-	46,885
Trade creditors		218,110	163,761
Social security and other taxes		51,224	28,229
Outstanding defined contribution pension costs		9,898	9,935
Other payables		25,181	33,278
Accruals		27,873	80,479
Deferred income		<u>420,907</u>	<u>368,215</u>
		<u>753,193</u>	<u>730,782</u>

# The Frilford Heath Golf Club Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 16 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2018	127,274	127,274
Increase (decrease) in existing provisions	<u>30,843</u>	<u>30,843</u>
At 31 December 2018	<u>158,117</u>	<u>158,117</u>

### 17 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £92,875 (2017 - £82,032).

Contributions totalling £9,898 (2017 - £9,935) were payable to the scheme at the end of the year and are included in creditors.

### 18 Share capital

#### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £5 each	<u>972,000</u>	<u>4,860,000</u>	<u>972,000</u>	<u>4,860,000</u>

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

There are no restrictions on the distribution of dividends and repayment of capital.

### 19 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank overdrafts	<u>-</u>	<u>46,885</u>



# The Frilford Heath Golf Club Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 20 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	39,612	12,412
Later than one year and not later than five years	73,277	12,412
Later than five years	-	3,378
	<u>112,889</u>	<u>28,202</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £31,116 (2017 - £10,744).

### 21 Dividends

	2018 £	2017 £
Final dividend of £0.08 (2017 - £0.08) per ordinary share	77,760	77,760
Interim dividend of £0.05 (2017 - £0.05) per ordinary share	48,600	48,600
	<u>126,360</u>	<u>126,360</u>

#### Final dividends paid

	2018 £	2017 £
Final dividend of £0.08 per each ordinary share	<u>77,760</u>	<u>77,760</u>

#### Interim dividends paid

	2018 £	2017 £
Interim dividend of £0.05 per each ordinary share	<u>48,600</u>	<u>48,600</u>

#### Recommended final dividends paid and not recognised in the accounts

The directors are proposing the following final dividends:

£0.05 (2017 - £0.08) per each ordinary share totalling £48,600.00 (2017 - £77,760.00)

These dividends have not been accrued in the Balance Sheet.

# **The Frilford Heath Golf Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **22 Related party transactions**

#### **Key management compensation**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and other short term employee benefits	229,302	101,767
Post-employment benefits	11,419	-
	<u>240,721</u>	<u>101,767</u>

#### **Dividends paid to directors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>A E M Booth</b>	<u>1,690</u>	<u>1,690</u>
<b>S P Baxter</b>	<u>1,265</u>	<u>1,265</u>
<b>C J Davies</b>	<u>330</u>	<u>330</u>
<b>K Murray</b>	<u>502</u>	<u>370</u>
<b>P Rivers</b>	<u>502</u>	<u>370</u>
<b>S Russell</b>	<u>502</u>	<u>370</u>
<b>P Viney</b>	<u>8,088</u>	<u>6,868</u>

#### **Summary of transactions with other related parties**

#### **Expenditure with and payables to related parties**

<b>2018</b>	<b>Key management £</b>
Amounts payable to related parties	<u>3,556</u>
<b>2017</b>	<b>Key management £</b>
Amounts payable to related parties	<u>332</u>