

Registration number: 125831

The Frilford Heath Golf Club Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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

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The Frilford Heath Golf Club Limited

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The Frilford Heath Golf Club Limited

Company Information

Chairman	A E M Booth
Directors	P Rivers R Stebbings K Murray S Russell
Company secretary	S Tang
Registered office	The Frilford Heath Golf Club Abingdon Oxfordshire OX13 5NW
Bankers	Barclays Bank plc 2 The Square Abingdon Oxfordshire OX14 5AS
Auditors	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 2020

The directors present their strategic report for the year ended 31 December 2020.

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 11.

2020 was a year without precedent in the history of the club.

As we are all only too painfully aware, we suffered a global pandemic which had a major impact on businesses throughout the world and in the UK. At FHGC, it presented us not only with a multitude of significant challenges, but also gave us some opportunities for the future.

We had to close our doors to our members and visitors for 15 weeks of the year. Even when open we were not permitted, for a long period of time, to provide our full range of services and facilities, including food and beverage, to our customers. This caused significant losses in revenue and prolonged uncertainty for a good part of the year. The board and management spent a great deal of time crisis planning in order to stay ahead of the problems as they developed, all the while focused on ensuring the long-term future of the club. Not only did we have the pandemic to cope with, but also some severe weather problems and some animals determined to wreak as much damage on our courses as they could.

Therefore in 2020 our turnover fell by 19.3%, but we managed to reduce our overheads by 3.7%. As a result of actions taken and Government support, our operating loss for the year was £54,618, a reduction of £126,121 from the profit of £71,503 in 2019. Even though our cash position had improved at the end of the year, nevertheless the Board decided in the circumstances not to pay any dividends for the year.

In spite of the many difficulties, there were also some encouraging signs. For example, the increase in playing membership from 1,159 to 1,330 and the resurgence of golf throughout the UK augers well for the future.

The board decided to accrue a rebate to our members of £250,000 as compensation for the loss of golf they suffered during the first lockdown. As we had enjoyed fantastic support from our members, we felt this was the right thing to do. However, we were not in a position to commit to further rebates going into 2021.

Once we fully understood the positive impact of a resurgence of interest in golf, which led to a significant growth in membership during the year, and also ensured the highest subscription rate on record, the Board felt confident enough to commit to some essential investment.

In August we took delivery of the first phase of greenkeeper machinery, under lease, at retail price of nearly £500,000. The three courses at Frilford Heath are our main asset and it is imperative that our staff have the right tools to enable them to produce the best possible courses in the best condition for our members and visitors. Phase two of the investment plan will be in 2021.

The Frilford Heath Golf Club Limited

Strategic Report for the Year Ended 31 December 2020

We were also able to start planning the replacement of the irrigation system across the estate. This will also be done in three phases. The planning has been completed and the first phase, covering the Blue course, will be implemented at the end of 2021.

This, along with the machinery replacement scheme, will ensure that we will become more efficient and effective in preparation of our courses, and more environmentally sustainable as an organisation.

One of the successes in 2020 was the introduction of the "meet and greet" service which was greatly appreciated by the members. Initially this was due to the necessity to have a tee booking system to meet track and trace requirements, but it also provided members with a warm and professional service confirming their tee time and which course they were playing. It is a service we look to continue in 2021.

The Board also took advantage of completing the restructuring of the business with the recruitment of a new Deputy Head of Courses and Estate and reorganising the green keeping team. Although lockdown has continued into 2021, the green keeping staff have been able to complete a lot of necessary winter work and estate management. The members will notice some significant improvement to the courses on their return.

At the start of 2020 I informed the Board that it was my wish to retire at the Company AGM in May 2021. I had asked Kevin Murray, Deputy Chairman, if he would take over as Chairman and with the unanimous support of the Board Kevin will do so after the AGM in May.

The Board continues to work closely with the management team, through the Managing Director, to take the necessary actions for the business and club to enable us to continue to grow. We believe that the resurgence of interest in golf may well present us with significant opportunities for the future, but we have to make sure that we are in a good place to capitalise on this interest.

Management have learned to adapt incredibly well during 2020 and will continue to do so in 2021 in an ever-changing environment. It is the one great skill that we have acquired during the year - the ability to anticipate and change quickly when needed.

In conclusion, I'd like to thank shareholders for their continued support, and know that we together hope that the pandemic will soon release its grip on all of us and enable us fully to enjoy the benefits that Frilford Heath Golf Club has to offer.

The Frilford Heath Golf Club Limited

Strategic Report for the Year Ended 31 December 2020

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.

Another significant risk, experienced in the year, is the possible disruption to golf and related social activities caused by unexpected events. This was successfully mitigated by having annual subscriptions payable in advance, early management actions and close communication with members and customers.

Approved by the Board on 15/4/2021 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 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the company

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

A E M Booth - Chairman

P Rivers

R Stebbings (appointed 3 February 2020)

S P Baxter (resigned 22 September 2020)

K Murray

S Russell

In accordance with the Articles of Association Kevin Murray will retire from the board and, being eligible, will stand for reappointment at the forthcoming Annual General Meeting.

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 15/4/2021 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 2020, 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 2020 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 6], 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Frilford Heath Golf Club Limited

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and from our knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected or alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

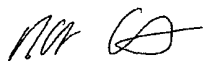
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Frilford Heath Golf Club Limited

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

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.



Robert Kirtland 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: 16 April 2021

The Frilford Heath Golf Club Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	2,554,098	3,165,476
Cost of sales		<u>(365,932)</u>	<u>(534,431)</u>
Gross profit		2,188,166	2,631,045
Administrative expenses		<u>(2,473,566)</u>	<u>(2,567,333)</u>
Other operating income	4	<u>229,752</u>	<u>-</u>
Operating (loss)/profit	6	<u>(55,648)</u>	<u>63,712</u>
Other interest receivable and similar income	7	<u>1,030</u>	<u>7,791</u>
		<u>1,030</u>	<u>7,791</u>
(Loss)/profit before tax		(54,618)	71,503
Taxation	11	<u>(1,260)</u>	<u>(90,556)</u>
Loss for the financial year		<u><u>(55,878)</u></u>	<u><u>(19,053)</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 16 to 26 form an integral part of these financial statements.

The Frilford Heath Golf Club Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

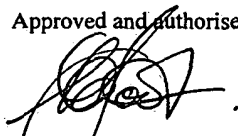
	2020	2019
	£	£
Loss for the year	<u>(55,878)</u>	<u>(19,053)</u>
Total comprehensive income for the year	<u><u>(55,878)</u></u>	<u><u>(19,053)</u></u>

The Frilford Heath Golf Club Limited

(Registration number: 125831)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	7,568,546	7,501,042
Current assets			
Stocks	13	130,781	165,322
Debtors	14	25,430	80,318
Cash at bank and in hand		<u>1,270,660</u>	<u>739,309</u>
		1,426,871	984,949
Creditors: Amounts falling due within one year	16	<u>(1,307,088)</u>	<u>(737,945)</u>
Net current assets		<u>119,783</u>	<u>247,004</u>
Total assets less current liabilities		7,688,329	7,748,046
Provisions for liabilities	17	<u>(123,709)</u>	<u>(127,548)</u>
Net assets		<u>7,564,620</u>	<u>7,620,498</u>
Capital and reserves			
Called up share capital		4,860,000	4,860,000
Profit and loss account		<u>2,704,620</u>	<u>2,760,498</u>
Shareholders' funds		<u>7,564,620</u>	<u>7,620,498</u>

Approved and authorised by the Board on 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 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	4,860,000	2,760,498	7,620,498
Loss for the year	-	(55,878)	(55,878)
Total comprehensive income	-	(55,878)	(55,878)
At 31 December 2020	<u>4,860,000</u>	<u>2,704,620</u>	<u>7,564,620</u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	4,860,000	2,876,751	7,736,751
Loss for the year	-	(19,053)	(19,053)
Total comprehensive income	-	(19,053)	(19,053)
Dividends	-	(97,200)	(97,200)
At 31 December 2019	<u>4,860,000</u>	<u>2,760,498</u>	<u>7,620,498</u>

The Frilford Heath Golf Club Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(55,878)	(19,053)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	173,200	168,692
Profit on disposal of other tangible assets	5	(8,813)	-
Finance income	7	(1,030)	(7,791)
Income tax expense	11	1,260	90,556
		108,739	232,404
Working capital adjustments			
Decrease/(increase) in stocks	13	34,541	(21,103)
Decrease in trade debtors	14	54,888	1,843
Increase/(decrease) in trade creditors	16	282,695	(53,154)
Increase in deferred income, including government grants		302,474	16,781
Cash generated from operations		783,337	176,771
Income taxes paid	11	(21,125)	(100,000)
Net cash flow from operating activities		762,212	76,771
Cash flows from investing activities			
Interest received	7	1,030	7,791
Acquisitions of tangible assets		(248,941)	(235,593)
Proceeds from sale of fixed assets		17,050	-
Net cash flows from investing activities		(230,861)	(227,802)
Cash flows from financing activities			
Dividends paid	21	-	(97,200)
Net increase/(decrease) in cash and cash equivalents		531,351	(248,231)
Cash and cash equivalents at 1 January		739,309	987,540
Cash and cash equivalents at 31 December	15	1,270,660	739,309

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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.

The subscription rebate provision in the accounts has been estimated by the directors on the basis of actual rebates applied to membership renewals in 2020/21. The amount of the rebate was calculated with reference to the period of time that the club was closed to members during the first Covid-19 lockdown.

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 current and 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 Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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.

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 balance sheet 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:

Asset class	Depreciation method and rate
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 average cost.

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 2020

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.

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:

	2020	2019
	£	£
Provision of goods and services	2,523,923	3,147,976
Rental income	30,175	17,500
	<u>2,554,098</u>	<u>3,165,476</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£	£
HMRC CJRS income	<u>229,752</u>	<u>-</u>

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Other gains and losses

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

	2020 £	2019 £
Gain (loss) on disposal of property, plant and equipment	<u>8,813</u>	<u>-</u>

6 Operating (loss)/profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	173,200	168,692
Operating lease expense	57,023	26,411
Profit on disposal of property, plant and equipment	<u>(8,813)</u>	<u>-</u>

7 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	<u>1,030</u>	<u>7,791</u>

8 Staff costs

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

	2020 £	2019 £
Wages and salaries	1,375,362	1,341,844
Social security costs	107,179	114,075
Pension costs, defined contribution scheme	106,542	105,066
Other employee expense	<u>16,333</u>	<u>28,906</u>
	<u>1,605,416</u>	<u>1,589,891</u>

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

	2020 No.	2019 No.
Golf course	19	21
Golf shop	6	5
Clubhouse	15	17
Administration	<u>12</u>	<u>12</u>
	<u>52</u>	<u>55</u>

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	46,687	49,724
Contributions paid to money purchase schemes	12,000	12,000
	<u>58,687</u>	<u>61,724</u>

10 Auditors' remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>7,800</u>	<u>7,600</u>
Other fees to auditors		
Valuation services	-	4,000
Taxation compliance services	3,150	2,500
All other assurance services	-	686
	<u>3,150</u>	<u>7,186</u>

11 Taxation

Tax charged/(credited) in the income statement

	2020	2019
	£	£
Current taxation		
UK corporation tax	5,099	-
UK corporation tax adjustment to prior periods	-	121,125
	<u>5,099</u>	<u>121,125</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(3,839)</u>	<u>(30,569)</u>
Tax expense in the income statement	<u>1,260</u>	<u>90,556</u>

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(54,618)</u>	<u>71,503</u>
Corporation tax at standard rate	(10,377)	13,586
Deferred tax credit from unrecognised temporary difference from a prior period	(3,839)	(30,569)
Tax decrease from effect of capital allowances and depreciation	(873)	(8,351)
Tax decrease from other short-term timing differences	(1,218)	(5,395)
Tax increase from effect of unrelieved tax losses carried forward	17,567	160
Tax increase from effect of rollover relief on profit on disposal of fixed assets	-	121,125
Total tax charge	<u>1,260</u>	<u>90,556</u>

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2020		
Accelerated capital allowances	-	185,092
Availability of trading losses	<u>53,705</u>	<u>-</u>
	<u>53,705</u>	<u>185,092</u>
2019		
Accelerated capital allowances	-	160,511
Availability of trading losses	<u>32,963</u>	<u>-</u>
	<u>32,963</u>	<u>160,511</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 £(24,151) (2019 - £(28,964)).

The Frilford Heath Golf Club Limited
Notes to the Financial Statements for the Year Ended 31 December 2020

12 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Irrigation equipment £	Total £
Cost or valuation					
At 1 January 2020	6,603,683	980,135	1,621,192	960,735	10,165,745
Additions	101,447	63,220	61,297	22,977	248,941
Disposals	-	-	(505,971)	-	(505,971)
At 31 December 2020	<u>6,705,130</u>	<u>1,043,355</u>	<u>1,176,518</u>	<u>983,712</u>	<u>9,908,715</u>
Depreciation					
At 1 January 2020	-	616,089	1,103,031	945,583	2,664,703
Charge for the year	-	71,558	95,889	5,753	173,200
Eliminated on disposal	-	-	(497,734)	-	(497,734)
At 31 December 2020	<u>-</u>	<u>687,647</u>	<u>701,186</u>	<u>951,336</u>	<u>2,340,169</u>
Carrying amount					
At 31 December 2020	<u>6,705,130</u>	<u>355,708</u>	<u>475,332</u>	<u>32,376</u>	<u>7,568,546</u>
At 31 December 2019	<u>6,603,683</u>	<u>364,046</u>	<u>518,161</u>	<u>15,152</u>	<u>7,501,042</u>

Included within the net book value of land and buildings above is £6,705,130 (2019 - £6,603,683) in respect of freehold land and buildings.

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Stocks

	2020 £	2019 £
Goods for resale	<u>130,781</u>	<u>165,322</u>

14 Debtors

	2020 £	2019 £
Trade debtors	-	17,053
Prepayments	<u>25,430</u>	<u>63,265</u>
Total current trade and other debtors	<u>25,430</u>	<u>80,318</u>

15 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	1,402	1,240
Cash at bank	<u>1,269,258</u>	<u>738,069</u>
	<u>1,270,660</u>	<u>739,309</u>

16 Creditors

	2020 £	2019 £
Due within one year		
Trade creditors	193,319	183,302
Social security and other taxes	213,277	56,837
Outstanding defined contribution pension costs	-	291
Accrued expenses	82,484	19,059
Deferred income	740,162	437,688
Other payables	72,747	19,643
Corporation tax liability	<u>5,099</u>	<u>21,125</u>
	<u>1,307,088</u>	<u>737,945</u>

17 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2020	127,548	127,548
Increase (decrease) in existing provisions	<u>(3,839)</u>	<u>(3,839)</u>
At 31 December 2020	<u>123,709</u>	<u>123,709</u>

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

18 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 £106,542 (2019 - £105,066).

Contributions totalling £Nil (2019 - £291) were payable to the scheme at the end of the year and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	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.

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	105,182	37,446
Later than one year and not later than five years	<u>379,793</u>	<u>38,192</u>
	<u>484,975</u>	<u>75,638</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £57,023 (2019 - £24,303).

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Dividends

	2020	2019
	£	£
Final dividend of £Nil (2019 - £0.05) per ordinary share	-	48,600
Interim dividend of £Nil (2019 - £0.05) per ordinary share	-	48,600
	<u>-</u>	<u>97,200</u>

Interim dividends paid

	2020	2019
	£	£
Interim dividend of £Nil (2019 - £0.05) per each ordinary share	-	48,600
	<u>-</u>	<u>48,600</u>

Final dividends paid

	2020	2019
	£	£
Final dividend of £Nil (2019 - £0.05) per each ordinary share	-	48,600
	<u>-</u>	<u>48,600</u>

Recommended final dividends paid and not recognised in the accounts

The directors are proposing the following final dividends:

Nil (2019 - £-) per each ordinary share totalling (2019 - £-)

These dividends have not been accrued in the Balance Sheet.

22 Commitments

Capital commitments

Clubhouse refurbishment costs.

The total amount contracted for but not provided in the financial statements was £3,994 (2019 - £82,650).

The Frilford Heath Golf Club Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23 Related party transactions

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	188,631	178,195
Post-employment benefits	24,342	11,647
	<u>212,973</u>	<u>189,842</u>

Dividends paid

	2020	2019
	£	£
A E M Booth	-	1,300
S P Baxter	-	973
K Murray	-	501
P Rivers	-	501
S Russell	-	501
P Viney	-	6,222

Summary of transactions with other related parties

Expenditure with and payables to related parties

	Key management
	£
2020	
Purchase of goods	<u>1,566</u>
2019	
Purchase of goods	<u>4,644</u>