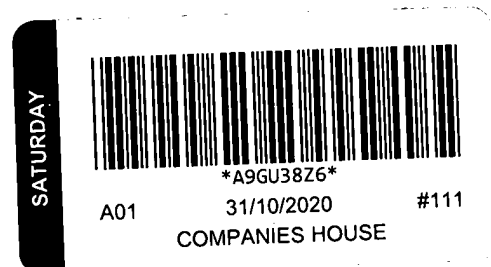


KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Annual Report and Financial Statements
for the Year Ended 31 October 2019



BREBNERS
Chartered Accountants & Statutory Auditor
1 Suffolk Way
Sevenoaks
Kent
TN13 1YL

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Company Information

Directors	J T Hilliard J M Bowry S J Turnbull
Company secretary	J T Hilliard
Registered office	The Downs Farm Reigate Road Ewell Surrey KT17 3BY
Auditor	Brebners Chartered Accountants & Statutory Auditor 1 Suffolk Way Sevenoaks TN13 1YL

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Strategic Report for the Year Ended 31 October 2019

The directors present their strategic report for the year ended 31 October 2019.

Principal activity

The principal activity of the company is that of sports complex management and venue hire.

Fair review of the business

Kingswood Golf & Country Club is nestled within some of Surrey's finest countryside, overlooking the Chipstead Valley. The 18-hole Championship golf course designed in 1928 by legendary architect James Braid, is described as 'Braid's finest parkland course in England'.

The directors continue to invest in the business to broaden its appeal and further differentiate itself from member golf clubs. Kingswood continues to provide luxury weddings and events, offering modern cuisine, exceptional service, and luxury accommodation at The Lodge, Kingswood's eighteen spacious room independent hotel, designed in a chic, contemporary style.

Sales for 2019 of £2.63million is consistent with 2018 of £2.64million. The loss for the year before taxation was £0.16million which is an improvement on the loss for 2018 of £0.32million. The directors had envisaged a loss for 2019 due to planned and necessary expenditure on property maintenance. The directors have continued to carry out substantial maintenance projects including the purchase of a private residential property within the grounds, and have taken steps to ensure overheads are continuously reviewed and monitored in order to return the company to profitability. Net assets decreased in the year due to the losses incurred in 2019.

Key Performance Indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£000	2,630	2,643
Percentage Change	%	-	(7)
Gross Profit	£000	909	781
Gross Profit Margin	%	35	30

Non-Financial Key Performance Indicators

The company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of reasonable business practice is essential for operational excellence.

The company will continue to invest in the underlying systems, governance and infrastructure to support the company going forward.

In a company of this size the directors consider there are collectively numerous non-financial performance indicators but that individually none are key.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Strategic Report for the Year Ended 31 October 2019

Principal risks and uncertainties including Covid-19

Subsequent to 31 October 2019, the outbreak of the Covid-19 pandemic in early 2020 had a significant economic impact and caused disruption for businesses. The directors continue to closely monitor the company's operational and financial exposure to Covid-19 whilst being unable to predict the extent or duration of the pandemic currently.

The directors have considered the risks faced by the business and the controls in place to mitigate those risks including those arising from the Covid-19 outbreak. The directors are responsible for determining the level of risk acceptable to the company and this is subject to regular review.

Operational risk

Operational risk is caused by failures in business processes or the systems or physical infrastructure that support them that have the potential to result in financial loss or damage the company's reputation. This includes errors, omissions, systems failure, lack of resources or physical assets and deliberate acts such as fraud.

The directors impose continuing self assessment and appraisals along with continually seeking to improve its operating efficiencies and standards.

Credit risk

Credit risk is the risk that counter-parties will not be able to meet their obligations as they fall due. The company closely monitors outstanding debts from all sources resulting in minimal exposure.

Liquidity risk

The company ensures that liquidity is maintained and financial obligations are met by monitoring the cash balances daily to ensure it retains flexibility in the management of cash flow. In the event that cash flows would not cover financial obligations the company has credit facilities available.

Market risk

Golf-related income is a discretionary spend and the directors are aware that the business may have some exposure to the current climate and its impact on consumer spending. However the directors note that Golf was able to continue and abide by Government restrictions and therefore has not been overly affected by market risk. The directors also feel the reputation and position in the South East ensure it is not exposed to significant market risk.

Foreign currency risk

As the company only deals in sterling it is not exposed to foreign currency risk.

Interest rate risk

Interest rates are regularly monitored by the directors. The directors ensure that sufficient resources are available so obligations can be met when they fall due.

Risk summary

The directors continuously monitor and respond to changes in the company's risk environment and this has been subject to regular and heightened review processes during Covid-19, so ensuring that the company remains well placed to address operational, financial and business risks in a timely and appropriate manner.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Strategic Report for the Year Ended 31 October 2019

Future developments and Coronavirus

On 11 March 2020 the World Health Organisation declared the Coronavirus (Covid-19) outbreak as a worldwide pandemic and following this the UK government imposed lockdown restrictions across the country. These restrictions were tentatively lifted towards the end of June 2020 but the ongoing impact and duration of Covid-19 continues to be uncertain.

The golfing industry was deemed to be 'non-essential' and therefore the company adhered to government guidelines and closed the Kingswood complex for a prolonged period. As lockdown measures continue to be eased, golf courses, shops and catering facilities have re-opened. The golf course re-opened on 14 May 2020, since then the company has noted strong trading levels particularly in the recent summer months, with Golf being an outside activity and therefore suitable for players to abide by current government guidelines. The directors have taken steps to introduce appropriate cash and cost management measures and ensure there is suitable working capital facilities at Group level. The company has prepared projected cashflows and budgets that covers the period to 31 October 2021 to ensure it has sufficient working capital for the foreseeable future. The forecast includes a number of assumptions and scenarios to identify and evaluate the possible impacts arising from Covid-19 such as reduction in income levels and how this could be mitigated without relying upon government support schemes.

The directors also continue to monitor the Brexit negotiations and plan accordingly, in so far as possible, to mitigate any strategic or operational impact that may arise as a result of the UK's exit from the EU on 31 December 2020.

Based on the information available and the company's current trading performance the directors continue to invest in new products and its facilities, to ensure the club maintains its reputation as a renowned golf club. The directors continue to develop their knowledge and experience, and a focus is being placed on staff training and welfare in these unprecedented times whilst also ensuring a better understanding to meet the needs of each individual customer. The principal activity of the company is expected to remain consistent for the foreseeable future.

28-Oct-20

Approved by the Board on and signed on its behalf by:

Mr J Hilliard

.....
J T Hilliard
Director

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Directors' Report for the Year Ended 31 October 2019

The directors present their report and the financial statements for the year ended 31 October 2019.

Directors of the company

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

J T Hilliard

J M Bowry

S J Turnbull

D W McClelland (resigned 10 March 2020)

Information included in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial risk management, exposure and future developments.

Disclosure of information to the auditor

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.

28-Oct-20

Approved by the Board on and signed on its behalf by:

Mr J Hilliard

.....
J T Hilliard
Director

KINGSWOOD GOLF & COUNTRY 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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Independent Auditor's Report to the Members of Kingswood Golf & Country Club Limited for the Year Ended 31 October 2019

Opinion

We have audited the financial statements of Kingswood Golf & Country Club Limited (the 'company') for the year ended 31 October 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, 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 October 2019 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

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Independent Auditor's Report to the Members of Kingswood Golf & Country Club Limited for the Year Ended 31 October 2019

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.

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

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Independent Auditor's Report to the Members of Kingswood Golf & Country Club Limited for the Year Ended 31 October 2019

Brebners

.....
Martin Widdowson (Senior Statutory Auditor)
For and on behalf of

Brebners, Statutory Auditor
1 Suffolk Way
Sevenoaks
TN13 1YL

28-Oct-20
Date:.....

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Statement of Income and Retained Earnings for the Year Ended 31 October 2019

	Note	2019 £	2018 £
Turnover	3	2,629,663	2,643,512
Cost of sales		<u>(1,720,351)</u>	<u>(1,862,139)</u>
Gross profit		909,312	781,373
Administrative expenses		<u>(951,840)</u>	<u>(1,011,067)</u>
Operating loss	4	<u>(42,528)</u>	<u>(229,694)</u>
Interest payable and similar charges	5	<u>(121,220)</u>	<u>(90,949)</u>
		<u>(121,220)</u>	<u>(90,949)</u>
Loss before tax		(163,748)	(320,643)
Taxation	8	<u>20,244</u>	<u>42,554</u>
Loss for the financial year		(143,504)	(278,089)
Retained earnings brought forward		<u>2,656,953</u>	<u>2,935,042</u>
Retained earnings carried forward		<u>2,513,449</u>	<u>2,656,953</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Statement of Financial Position as at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	7,053,865	6,662,858
Current assets			
Stocks	10	119,590	121,716
Debtors	11	245,414	239,728
Cash at bank and in hand		<u>368,794</u>	<u>3,000</u>
		733,798	364,444
Creditors: Amounts falling due within one year	13	<u>(5,207,298)</u>	<u>(4,308,015)</u>
Net current liabilities		<u>(4,473,500)</u>	<u>(3,943,571)</u>
Total assets less current liabilities		2,580,365	2,719,287
Provisions for liabilities	14	<u>(36,816)</u>	<u>(32,234)</u>
Net assets		<u>2,543,549</u>	<u>2,687,053</u>
Capital and reserves			
Called up share capital		30,100	30,100
Profit and loss account	17	<u>2,513,449</u>	<u>2,656,953</u>
Shareholders' funds		<u>2,543,549</u>	<u>2,687,053</u>

28-Oct-20

Approved and authorised by the Board on and signed on its behalf by:

Mr J Hilliard

J T Hilliard

Director

Mr J Bowry

J M Bowry

Director

Company registration number: 01913760

The notes on pages 12 to 22 form an integral part of these financial statements.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

1 GENERAL INFORMATION

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

The address of its registered office is:

The Downs Farm
Reigate Road
Ewell
Surrey
KT17 3BY

The principal activity of the company is that of sports complex management and venue hire.

The principal place of business is:

Kingswood Golf Club
Sandy Lane
Kingswood
Surrey
KT20 6NE

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 any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS102. Its financial statements are consolidated into the financial statements of Dwellcourt Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been made of financial instruments measured at fair value through profit or loss.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

Going concern

The statement of financial position at 31 October 2019 showed the company had net current liabilities amounting to £4.47million and net total assets amounting to £2.54million. At this date an amount of £4.53million was due to group undertakings, principally the parent undertaking, Dwellcourt Limited. The company is funded through group facilities and the parent undertaking has confirmed it will continue to support the company and will not call for repayment of amounts due whilst the company requires the working capital.

Coronavirus (Covid-19) crisis was declared a pandemic by the World Health Organisation on 11 March 2020 and as a result the United Kingdom took unprecedented measures at the end of March 2020 by imposing 'lockdown' across the country. This adversely affected Kingswood who were forced to close the entire golf complex. As lockdown restrictions have been eased the company has seen an increase in sales when the course re-opened on 14 May 2020. Golf has proved popular due to being an outdoor activity where players can easily adhere to current government imposed safety guidelines, and therefore membership numbers have been increasing, restrictions continue to be imposed on large catering events however.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. These enquiries include having suitable plans in place to be able to cope with the significant uncertainties to the business caused by the COVID-19 pandemic and ensuring recourse to sufficient working capital is available to enable the company to continue to meet its obligations as they fall due. The directors have taken steps to minimise the company's overheads including taking advantage of the Government's financial support grants including the Coronavirus Job Retention Scheme. The parent company has also obtained a Coronavirus Business Interruption Loan to provide additional working capital if required.

The directors have prepared cashflow forecasts for a period exceeding 12 months from the date of approval of these financial statements which show that the company has sufficient working capital to remain in operational existence for the foreseeable future.

Accordingly the financial statements have been prepared under the going concern basis which the directors believe to remain appropriate.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainties provide a risk of causing a material adjustment to the carrying values of assets and liabilities.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of assets.

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 value added tax, returns, rebates and discounts.

The company recognises revenue from golf club subscriptions evenly over the period of membership and from green fees and other golfing activities on the date of play. Revenue from hotel accommodation, catering, bars and events is recognised on the date the services are provided. Retail sales are recognised at the point of sale.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge 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.

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

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, as follows:

Asset class	Depreciation method and rate
Freehold property	over 50 years straight line
Fixtures, fittings, plant and machinery	over 6-7 years straight line
Motor vehicles	over 4 years straight line
Cups and trophies	over 20 years straight line

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.

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 and work in progress 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.

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 Income Statement 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.

Finance 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.

Assets held under hire purchase contracts are capitalised at the lesser of fair value or present value of minimum lease payments in the statement of financial position. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. A corresponding liability is recognised at the same value in the statement of financial position. The asset is then depreciated over its useful life.

The minimum lease payments are apportioned between the finance charge recognised in the income statement and the reduction of the outstanding liability using the effective interest method. The finance charge in each period is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

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.

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:

	2019 £	2018 £
Retail sale of goods	164,880	189,859
Rendering of services	2,456,383	2,453,653
Rental income	8,400	-
	<u>2,629,663</u>	<u>2,643,512</u>

The company's activities were carried out wholly in the United Kingdom.

4 OPERATING LOSS

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	224,107	210,749
Operating lease expense - plant and machinery	46,636	46,453
Profit on disposal of property, plant and equipment	<u>(7,189)</u>	<u>-</u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

5 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Interest expense on other finance liabilities	<u>121,220</u>	<u>90,949</u>

6 STAFF COSTS

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

	2019 £	2018 £
Wages and salaries	1,057,106	1,084,019
Social security costs	74,341	80,776
Pension costs, defined contribution scheme	<u>17,420</u>	<u>10,526</u>
	<u>1,148,867</u>	<u>1,175,321</u>

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

	2019 No.	2018 No.
Golf	14	17
Catering and hotel	<u>43</u>	<u>55</u>
	<u>57</u>	<u>72</u>

7 AUDITOR'S REMUNERATION

	2019 £	2018 £
Audit of the financial statements	<u>9,000</u>	<u>9,000</u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

8 TAXATION

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
Subvention payments for group relief	(24,826)	(50,466)
Deferred taxation		
Arising from origination and reversal of timing differences	4,582	7,912
Tax receipt in the income statement	(20,244)	(42,554)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	(163,748)	(320,643)
Corporation tax at standard rate	(31,112)	(60,922)
Effect of expense not deductible in determining taxable profit (tax loss)	144	58
Tax increase from effect of capital allowances and depreciation	10,724	18,310
Total tax credit	(20,244)	(42,554)

Deferred tax

Deferred tax assets and liabilities

	Liability £
2019	
Accelerated capital allowances	36,816
2018	
Accelerated capital allowances	31,234

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

9 TANGIBLE ASSETS

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2018	6,956,940	1,357,391	3,000	8,317,331
Additions	526,822	84,292	4,000	615,114
Disposals	-	(51,240)	-	(51,240)
At 31 October 2019	<u>7,483,762</u>	<u>1,390,443</u>	<u>7,000</u>	<u>8,881,205</u>
Depreciation				
At 1 November 2018	688,208	963,265	3,000	1,654,473
Charge for the year	79,309	144,798	-	224,107
Eliminated on disposal	-	(51,240)	-	(51,240)
At 31 October 2019	<u>767,517</u>	<u>1,056,823</u>	<u>3,000</u>	<u>1,827,340</u>
Carrying amount				
At 31 October 2019	<u><u>6,716,245</u></u>	<u><u>333,620</u></u>	<u><u>4,000</u></u>	<u><u>7,053,865</u></u>
At 31 October 2018	<u><u>6,268,732</u></u>	<u><u>394,126</u></u>	<u><u>-</u></u>	<u><u>6,662,858</u></u>

Analysis of the land and buildings valued at the date of transition to FRS 102 using the deemed cost exemption.

	2019 £	2018 £
Historical cost equivalent	1,493,429	1,514,560
Revaluation	2,826,238	2,832,192
Carrying value	<u><u>4,319,667</u></u>	<u><u>4,346,752</u></u>

The properties were revalued in 1998, the directors having taken advice from an independent valuer.

10 STOCKS

	2019 £	2018 £
Finished goods and goods for resale	86,865	78,505
Other inventories and consumables	<u>32,725</u>	<u>43,211</u>
	<u><u>119,590</u></u>	<u><u>121,716</u></u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

11 DEBTORS

	2019 £	2018 £
Trade debtors	146,715	101,618
Amounts owed by group undertakings	29,527	59,706
Other debtors	-	821
Prepayments	69,172	77,583
Total current trade and other debtors	245,414	239,728

12 CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash on hand	3,000	3,000
Cash at bank	365,794	-
	368,794	3,000
Bank overdrafts	-	(10,106)
Cash and cash equivalents	368,794	(7,106)

13 CREDITORS

	2019 £	2018 £
Due within one year		
Loans and borrowings	-	10,106
Trade creditors	147,057	149,519
Amounts due to group undertakings	4,528,161	3,618,180
Social security and other taxes	105,562	108,431
Other payables	95,914	94,365
Accrued expenses and deferred income	330,604	327,414
	5,207,298	4,308,015

14 PROVISIONS FOR LIABILITIES

	Deferred tax £	Total £
At 1 November 2018	32,234	32,234
Increase (decrease) in existing provisions	4,582	4,582
At 31 October 2019	36,816	36,816

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

15 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 £17,420 (2018: £10,526).

16 SHARE CAPITAL

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>30,100</u>	<u>30,100</u>	<u>30,100</u>	<u>30,100</u>

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

17 RESERVES

Profit and loss account is the reserve that records retained earnings.

The profit and loss account includes an amount of £2,826,238 (2018: £2,832,192) which is not distributable.

18 CONTINGENCIES

The company has guaranteed, jointly with the other group companies, the group's bank loan and overdraft facilities. The guarantee is secured by a fixed and floating charge over the assets and undertakings of the company. No liability is expected to arise in connection with this guarantee.

19 RELATED PARTY TRANSACTIONS

Transactions with related parties

During the year the company purchased goods and services for an amount of £29,035 (2018: £30,135) from a company under common control.

Summary of transactions with subsidiaries

Exemption has been taken under FRS 102 Paragraph 33.1A not to disclose transactions and amounts due with other companies that are wholly owned within the group.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2019

20 PARENT AND ULTIMATE PARENT UNDERTAKING

The parent of the largest and smallest group preparing group accounts including the results of the company is Dwellcourt Limited.

The address of Dwellcourt Limited is The Downs Farm, Reigate Road, Ewell, Surrey. KT17 3BY.

The company is a subsidiary of Dwellcourt Limited which is also the ultimate parent undertaking.

Ultimate control vests with the trustees of 'The Thomas Albert Hilliard Discretionary Settlement 2019'.