

Registration number: 01913760

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Annual Report and Financial Statements
for the Year Ended 31 October 2020

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

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KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 9
Statement of Income and Retained Earnings	10
Statement of Financial Position	11
Notes to the Financial Statements	12 to 22

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Company Information

Directors	J T Hilliard 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 2020

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

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 golf course 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.

The company achieved sales of £1.5m for the year ended 31 October 2020 despite difficult economic conditions. The loss for the year after taxation was £340,521. The directors had envisaged a loss for 2020 due to the economic impact of the Covid-19 pandemic and the imposed restrictions on catering, events and accommodation.

The directors have continued to take steps to ensure overheads are reviewed and monitored so that the company has sufficient recourse to working capital, this has included taking advantage of the Government's financial support grants including the Coronavirus Job Retention Scheme.

Key Performance Indicators

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

	Unit	2020	2019
Turnover	£000	1,492	2,630
Percentage Change	%	(43)	(1)
Gross Profit	£000	319	909
Gross Profit Margin	%	21	35

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 2020

Principal risks and uncertainties including Covid-19

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 2020

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 mostly lifted towards the end of June 2021 but the ongoing impact and duration of Covid-19 continues to be uncertain.

The golfing, catering, events and accommodation sectors were 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 company has noted strong trading levels particularly in the recent summer months, especially 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.

Based on the information available and the company's current trading performance the directors continue to invest in its facilities, to ensure the club maintains its reputation and distinction from local competition. The directors continue to develop their knowledge and experience, and a focus is being placed on staff training and welfare in these unprecedented times. The principal activity of the company is expected to remain consistent for the foreseeable future. With less commuting and far more leisure time being spent away from the city centres, opportunities to meet the demand for local leisure facilities and social amenities have never been stronger and Kingswood is well positioned to meet these needs.

27-Jul-21

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 2020

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

Directors of the company

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

J T Hilliard

S J Turnbull

J M Bowry (resigned 30 October 2020)

D W McClelland (resigned 10 March 2020)

Dividends

The directors do not recommend the payment of a final dividend. No interim dividends have been paid in the year.

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.

27-Jul-21

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

Mr J Hilliard

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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 2020

Opinion

We have audited the financial statements of Kingswood Golf & Country Club Limited (the 'company') for the year ended 31 October 2020, 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 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

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 2020

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 2020

Brebners

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

Brebners, Statutory Auditor
1 Suffolk Way
Sevenoaks
TN13 1YL

27-Jul-21

Date:.....

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

Statement of Income and Retained Earnings for the Year Ended 31 October 2020

	Note	2020 £	2019 £
Turnover	3	1,491,529	2,629,663
Cost of sales		<u>(1,172,227)</u>	<u>(1,720,351)</u>
Gross profit		319,302	909,312
Administrative expenses		(841,954)	(951,840)
Other operating income	4	<u>247,721</u>	<u>-</u>
Operating loss	5	<u>(274,931)</u>	<u>(42,528)</u>
Interest payable and similar charges	6	<u>(130,009)</u>	<u>(121,220)</u>
		<u>(130,009)</u>	<u>(121,220)</u>
Loss before tax		(404,940)	(163,748)
Taxation	9	<u>64,419</u>	<u>20,244</u>
Loss for the financial year		(340,521)	(143,504)
Retained earnings brought forward		<u>2,513,449</u>	<u>2,656,953</u>
Retained earnings carried forward		<u>2,172,928</u>	<u>2,513,449</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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	6,825,270	7,053,865
Current assets			
Stocks	11	76,430	119,590
Debtors	12	191,668	245,414
Cash at bank and in hand		<u>273,227</u>	<u>368,794</u>
		541,325	733,798
Creditors: Amounts falling due within one year	14	<u>(5,131,083)</u>	<u>(5,207,298)</u>
Net current liabilities		<u>(4,589,758)</u>	<u>(4,473,500)</u>
Total assets less current liabilities		2,235,512	2,580,365
Creditors: Amounts falling due after more than one year	14	(11,004)	-
Provisions for liabilities	15	<u>(21,480)</u>	<u>(36,816)</u>
Net assets		<u>2,203,028</u>	<u>2,543,549</u>
Capital and reserves			
Called up share capital		30,100	30,100
Profit and loss account	18	<u>2,172,928</u>	<u>2,513,449</u>
Shareholders' funds		<u>2,203,028</u>	<u>2,543,549</u>

27-Jul-21

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

Mr J Hilliard

.....
J T Hilliard
Director

Steven Turnbull

.....
S J Turnbull
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 2020

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 2020

Going concern

The statement of financial position at 31 October 2020 showed the company had net current liabilities amounting to £4.59 million and net total assets amounting to £2.20 million. At this date an amount of £4.54 million 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) was declared a pandemic by the World Health Organisation on 11 March 2020 and as a result the United Kingdom took unprecedented measures by imposing continuous restrictions across the country. As these imposed restrictions lockdown were eased golf has proved very popular due to being an outdoor activity and golf revenues increased, although restrictions are still imposed on larger catering events.

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 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.

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in other income in the same period as the related expenditure.

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.

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

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.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

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 £
Retail sale of goods	126,886	164,880
Rendering of services	1,334,773	2,456,383
Rental income	29,870	8,400
	<u>1,491,529</u>	<u>2,629,663</u>

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

4 OTHER OPERATING INCOME

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

	2020 £	2019 £
Government grants	<u>247,721</u>	<u>-</u>

5 OPERATING LOSS

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	259,184	224,107
Operating lease expense - plant and machinery	11,013	46,636
Profit on disposal of property, plant and equipment	<u>(4,283)</u>	<u>(7,189)</u>

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Interest on obligations under finance leases and hire purchase contracts	1,133	-
Interest expense on other finance liabilities	<u>128,876</u>	<u>121,220</u>
	<u>130,009</u>	<u>121,220</u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

7 STAFF COSTS

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

	2020 £	2019 £
Wages and salaries	849,784	1,057,106
Social security costs	61,195	74,341
Pension costs, defined contribution scheme	20,817	17,420
	<u>931,796</u>	<u>1,148,867</u>

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

	2020 No.	2019 No.
Golf	13	14
Catering and hotel	40	43
	<u>53</u>	<u>57</u>

8 AUDITOR'S REMUNERATION

	2020 £	2019 £
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 2020

9 TAXATION

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
Subvention payments for group relief	(49,083)	(24,826)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(15,336)</u>	<u>4,582</u>
Tax receipt in the income statement	<u>(64,419)</u>	<u>(20,244)</u>

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

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(404,940)</u>	<u>(163,748)</u>
Corporation tax at standard rate	(76,939)	(31,112)
Effect of expense not deductible in determining taxable profit (tax loss)	17	144
Tax increase from effect of capital allowances and depreciation	<u>12,503</u>	<u>10,724</u>
Total tax credit	<u>(64,419)</u>	<u>(20,244)</u>

Deferred tax

Deferred tax assets and liabilities

2020

Accelerated capital allowances

**Liability
£**

30,602

2019

Accelerated capital allowances

**Liability
£**

36,816

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

10 TANGIBLE ASSETS

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2019	7,483,762	1,390,443	7,000	8,881,205
Additions	<u>358</u>	<u>30,231</u>	-	<u>30,589</u>
At 31 October 2020	<u>7,484,120</u>	<u>1,420,674</u>	<u>7,000</u>	<u>8,911,794</u>
Depreciation				
At 1 November 2019	767,517	1,056,823	3,000	1,827,340
Charge for the year	<u>79,309</u>	<u>178,875</u>	<u>1,000</u>	<u>259,184</u>
At 31 October 2020	<u>846,826</u>	<u>1,235,698</u>	<u>4,000</u>	<u>2,086,524</u>
Carrying amount				
At 31 October 2020	<u>6,637,294</u>	<u>184,976</u>	<u>3,000</u>	<u>6,825,270</u>
At 31 October 2019	<u>6,716,245</u>	<u>333,620</u>	<u>4,000</u>	<u>7,053,865</u>

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

	2020 £	2019 £
Historical cost equivalent	1,472,299	1,493,429
Revaluation	2,820,284	2,826,238
Carrying value	<u>4,292,583</u>	<u>4,346,752</u>

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

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Furniture, fittings and equipment	<u>22,287</u>	<u>26,220</u>

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

11 STOCKS

	2020 £	2019 £
Finished goods and goods for resale	43,754	86,866
Other inventories and consumables	32,676	32,724
	<u>76,430</u>	<u>119,590</u>

12 DEBTORS

	2020 £	2019 £
Trade debtors	21,714	146,715
Amounts owed by group undertakings	60,756	29,527
Other debtors	73,107	-
Prepayments	36,091	69,172
Total current trade and other debtors	<u>191,668</u>	<u>245,414</u>

13 CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash on hand	3,529	3,000
Cash at bank	269,698	365,794
	<u>273,227</u>	<u>368,794</u>

14 CREDITORS

	2020 £	2019 £
Due within one year		
Loans and borrowings	8,155	-
Trade creditors	50,505	147,057
Amounts due to group undertakings	4,540,170	4,528,161
Social security and other taxes	64,419	105,562
Other payables	104,734	95,914
Accrued expenses and deferred income	363,100	330,604
	<u>5,131,083</u>	<u>5,207,298</u>
Due after one year		
Loans and borrowings	<u>11,004</u>	-

Loans and borrowings relates to amounts due under finance leases and are secured on the assets concerned.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

15 PROVISIONS FOR LIABILITIES

	Deferred tax £	Total £
At 1 November 2019	36,816	36,816
Increase (decrease) in existing provisions	<u>(15,336)</u>	<u>(15,336)</u>
At 31 October 2020	<u><u>21,480</u></u>	<u><u>21,480</u></u>

16 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 £20,817 (2019: £17,420).

17 SHARE CAPITAL

Allotted, called up and fully paid shares

	2020		2019	
	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.

18 RESERVES

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

The profit and loss account includes an amount of £2,820,284 (2019: £2,826,238) which is not distributable.

19 COMMITMENTS, GUARANTEES AND 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. There are no amounts outstanding at 31 October 2020.

KINGSWOOD GOLF & COUNTRY CLUB LIMITED

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

20 RELATED PARTY TRANSACTIONS

Transactions with related parties

During the year the company purchased goods and services for an amount of £7,125 (2019: £29,035) 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 or amounts falling due with other companies that are wholly owned within the group.

21 PARENT AND ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is Dwellcourt Limited.

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

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

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