

Company Registration No. 05562191 (England and Wales)

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | P J Holt J M Pitts A D Northall M D Hepworth |
| Company number | 05562191 |
| Registered office | The National Golf Centre The Broadway Woodhall Spa LN10 6PU |
| Accountants | BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ |
| Bankers | Lloyds Bank Plc 14 High Street Horncastle Lincolnshire LN9 5BL |

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|--------------|----------------------------|
| P J Holt | |
| S J Keighley | (Resigned 24 January 2018) |
| J M Pitts | |
| A D Northall | |
| M D Hepworth | |

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

P J Holt
Director
18 July 2018

**WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF WOODHALL SPA LAND HOLDINGS
LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Woodhall Spa Land Holdings Limited for the year ended 31 March 2018 set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Woodhall Spa Land Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 14 February 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Woodhall Spa Land Holdings Limited and state those matters that we have agreed to state to the Board of Directors of Woodhall Spa Land Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Woodhall Spa Land Holdings Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Woodhall Spa Land Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Woodhall Spa Land Holdings Limited. You consider that Woodhall Spa Land Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Woodhall Spa Land Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

BDO LLP

10 August 2018

Chartered Accountants

Regent House
Clinton Avenue
Nottingham
NG5 1AZ

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

| | | 2018 | 2017 |
|--------------------------------------|--------------|-------------------|-------------------|
| | Notes | £ | £ |
| Turnover | | 1,521 | 4,671 |
| Administrative expenses | | (81) | (534) |
| | | <u> </u> | <u> </u> |
| Profit before taxation | | 1,440 | 4,137 |
| Taxation | 3 | (274) | (441) |
| | | <u> </u> | <u> </u> |
| Profit for the financial year | | <u>1,166</u> | <u>3,696</u> |

There was no other comprehensive income for the year ended 31 March 2018 (2017 - £Nil)

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Investments | 4 | | 3,200,000 | | 3,200,000 |
| Current assets | | | | | |
| Cash at bank and in hand | | 24,010 | | 13,966 | |
| Creditors: amounts falling due within one year | 6 | (15,941) | | (7,063) | |
| Net current assets | | | 8,069 | | 6,903 |
| Total assets less current liabilities | | | 3,208,069 | | 3,206,903 |
| Capital and reserves | | | | | |
| Profit and loss reserves | | | 3,208,069 | | 3,206,903 |

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 (1A).

The financial statements were approved by the board of directors and authorised for issue on 18 July 2018 and are signed on its behalf by:

P J Holt
Director

M D Hepworth
Director

Company Registration No. 05562191

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

| | Profit and loss reserves |
|--|-------------------------------------|
| | £ |
| Balance at 1 April 2016 | 3,203,207 |
| Year ended 31 March 2017: | |
| Profit and total comprehensive income for the year | 3,696 |
| Balance at 31 March 2017 | 3,206,903 |
| Year ended 31 March 2018: | |
| Profit and total comprehensive income for the year | 1,166 |
| Balance at 31 March 2018 | <u>3,208,069</u> |

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Woodhall Spa Land Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is The National Golf Centre, The Broadway, Woodhall Spa, LN10 6PU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2017 - 5).

The company's employees consist solely of the directors of the company none of whom are remunerated.

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Taxation

| | 2018 £ | 2017 £ |
|--|------------|------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 275 | 441 |
| Adjustments in respect of prior periods | (1) | - |
| | <u>274</u> | <u>441</u> |
| Total current tax | <u>274</u> | <u>441</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2018 £ | 2017 £ |
|--|--------------|--------------|
| Profit before taxation | 1,440 | 4,137 |
| | <u>1,440</u> | <u>4,137</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%) | 274 | 827 |
| Tax effect of utilisation of tax losses not previously recognised | - | (386) |
| | <u>274</u> | <u>441</u> |
| Taxation charge for the year | <u>274</u> | <u>441</u> |

4 Fixed asset investments

| | 2018 £ | 2017 £ |
|-------------|------------------|------------------|
| Investments | 3,200,000 | 3,200,000 |
| | <u>3,200,000</u> | <u>3,200,000</u> |

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

4 Fixed asset investments

(Continued)

Included in fixed asset investments is an amount of £3,200,000 (2017 - £3,200,000) in relation to the investment in Woodhall Spa Estate Management Company Limited. The circumstances relating to the reduction in value of the investments in the period 1 November 2015 to 31 October 2015 are more fully explained below.

The directors had been concerned about the values used in the annual financial statements of Woodhall Spa Estate Management Company Limited (the subsidiary company) in respect of its tangible fixed assets and investment properties. Such values were largely inherited when the EGU was reorganised in 2005 and subsequently in 2011.

In 2015 the directors of the subsidiary company commissioned a comprehensive property valuation report from Messrs Savills Chartered Surveyors who are a nationally recognised professional firm of good reputation. Their report which was received in June 2015 identified that, in their opinion, the value of the property assets of the subsidiary company were significantly over-stated in the financial statements. They valued the property assets at £3,088,000 in total. This is a reduction of some £7,031,633 from the value of £10,119,633 at which the same property assets had previously been disclosed in the subsidiary company's financial statements. This reduction was not as a result of any disposal of the assets nor was it as a result of any deterioration in their condition.

The reduction in the value of the property assets of the subsidiary company of £7,031,633 has been treated as an exceptional item and charged to that company's Profit and Loss Account in the period 1 November 2013 to 31 March 2015.

At 31 October 2013 the net assets (shareholders' funds) of the subsidiary company stood at £6,035,645. The effect of reducing the property assets valuation by £7,031,633 would both completely remove the subsidiary company's net asset position and still further would place it into a net liability position with a technically insolvent balance sheet. The directors considered that such a position would not be appropriate for the company so agreed that the inter-company loan of £4,103,050 owed by the subsidiary company to Woodhall Spa Land Holdings Limited would be written off by Woodhall Spa Land Holdings Limited at 31 March 2015.

The writing off of the inter-company loan owed to the company by its subsidiary of £4,103,050 has had a significant impact on the reserves of Woodhall Spa Land Holdings Limited.

Historically, the value of the shares in the subsidiary has been reflected at a cost price of £5,800,000. Such a valuation was valid when the shareholders' funds of the subsidiary exceeded the equivalent amount but, as referred to above, the shareholders' funds of the subsidiary had been reduced to £3,127,452 and a consequent reduction in the carrying value of the investment in the subsidiary was required in the financial statements of Woodhall Spa Land Holdings Limited. A provision for a reduction in value of £2,600,000 was, therefore, included in the financial statements for the period 1 November 2013 to 31 March 2015.

The directors considered that such an adjustment is appropriate due to the particular circumstances that applied in relation to the subsidiary at 31 March 2015 as explained above.

The directors consider that no further downward adjustments in carrying value are likely in the coming years.

WOODHALL SPA LAND HOLDINGS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

4 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group undertakings

£

Cost or valuation

At 1 April 2017 & 31 March 2018

3,200,000

Carrying amount

At 31 March 2018

3,200,000

At 31 March 2017

3,200,000

5 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|--|-------------------|-------------------------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Woodhall Spa Estate Management Company Limited | England & Wales | Management of investment properties | Ordinary | 100.00 | - |

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

| Name of undertaking | Profit/(Loss) | Capital and Reserves |
|--|---------------|----------------------|
| | £ | £ |
| Woodhall Spa Estate Management Company Limited | 74,005 | 3,298,236 |

6 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|-----------------------------------|--------|-------|
| | £ | £ |
| Amounts due to group undertakings | 15,666 | 6,622 |
| Corporation tax | 275 | 441 |
| | 15,941 | 7,063 |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.