Sonning Golf Club Limited

Accounts 28 February 2016

together with directors' and auditor's reports

Registered number: 00412769

Directors and Officers

Directors

SJ Crossley
DA Howes
CG Martin
CR Crossley

Secretary and Registered Office

CG Martin
Lunar House
Mercury Park
Wooburn Green
High Wycombe
Bucks
HP10 0HH

Auditor

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Bankers

Barclays Bank Plc
28 George Street
Luton
LU1 2AE

The directors present their report and the audited accounts for the year ended 28 February 2016.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

Disclosure of information to the auditor

Each director of the Company has confirmed that, in fulfilling their duties as a director, they have:

- taken all necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditor has not been made aware.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Principal activities

The principal activity of the Company is the operation of the Golf Club at Sonning on Thames. This includes providing golfing activities, a restaurant and bar, and banqueting and conference facilities. The directors are satisfied with the Company's performance for the year.

Land and buildings

Land and buildings are included in the accounts at historic cost including costs of improvements. The market value of Sonning Golf Club was valued by Colliers International Property Consultants Limited in November 2013 in excess of its net book value.

Directors

The directors of the Company during the year were:

SJ Crossley
DA Howes
CG Martin
CR Crossley

Auditor

The current auditor, Nexia Smith & Williamson, is deemed to be reappointed as auditor.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board

CG Martin

Secretary

30 November 2016

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SONNING GOLF CLUB LIMITED

We have audited the financial statements of Sonning Golf Club Limited for the year ended 28 February 2016 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2016 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.

Opinion on other matters 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report and in preparing the Directors' report.

Nexia Smith & Williamson

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Date: 30 November 2016

25 Moorgate
London
EC2R 6AY

Statement of comprehensive income

For the year ended 28 February 2016

	Notes	2016 £	2015 £
Turnover	4	1,486,758	1,430,175
Cost of sales		(970,659)	(956,928)
Gross profit		516,099	473,247
Administrative expenses		(526,888)	(523,305)
Operating loss	6	(10,789)	(50,058)
Interest payable and similar charges	7	(214,819)	(204,430)
Loss on ordinary activities before taxation		(225,608)	(254,488)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year and total comprehensive income		(225,608)	(254,488)

All of the above results derive from continuing activities.

Statement of financial position

At 28 February 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	9	1,270,555	1,114,471
Current assets			
Stocks	10	27,927	29,222
Debtors	11	31,292	40,608
Cash		1,359	1,486
		60,578	71,316
Creditors: amounts falling due within one year	12	(2,826,622)	(2,455,668)
Net current liabilities		(2,766,044)	(2,384,352)
Total assets less current liabilities		(1,495,489)	(1,269,881)
Capital and reserves			
Called-up share capital	13	23	23
Profit and loss account	14	(1,495,512)	(1,269,904)
Shareholder's deficit		(1,495,489)	(1,269,881)

The accounts were approved by the board of directors on 30 November 2016 and signed on its behalf by:

CG Martin

Director

Statement of changes in equity
At 28 February 2016

	Share capital £	Retained earnings £	Total £
Balance at 1 March 2014	24	(1,015,416)	(1,015,392)
Loss for the financial year	-	(254,488)	(254,488)
Purchase of own shares	(1)	-	(1)
Balance at 28 February 2015	23	(1,269,904)	(1,269,881)
Loss for the financial year	-	(225,608)	(225,608)
Balance at 28 February 2016	23	(1,495,512)	(1,495,489)

Notes to the accounts

For the year ended 28 February 2016

1 General information

The principal activity of the Company is the operation of the Golf Club at Sonning on Thames. This includes providing golfing activities, a restaurant and bar, and banqueting and conference facilities.

The Company is incorporated in the United Kingdom and registered in England and Wales, with its registered office being Lunar House, Mercury Park, High Wycombe HP10 0HH.

2 Principal accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year where applicable.

Basis of accounting

These financial statements are the first annual financial statements of the Company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (September 2015). The date of transition to FRS 102 was 1 March 2014. In accordance with FRS 102 the Company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 19.

The financial statements have been prepared under the historical cost convention in accordance with the Company's accounting policies.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Notes to the accounts (continued)

For the year ended 28 February 2016

Disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following exemptions available:

- the exemption from providing certain financial instruments disclosures (given equivalent disclosures have been given for the Group);
- the exemption from preparing a statement of cash flows; and
- the exemption from disclosing key management personnel compensation.

Going concern

The Company has made a loss of £225,608, (2015: £254,488) in the year. As at 28 February 2016 its liabilities exceeded its assets by £1,495,489 (2015: £1,269,881). At 28 February 2016 amounts owed to group undertakings totalled £1,531,357 (2015: £1,275,518). The adoption of the going concern basis is dependent upon the commitment of the ultimate parent company Comland PLC to continue to provide financial support. Based on the circumstances at the date of signing these accounts, the ultimate parent company has confirmed its willingness to provide financial support for at least 12 months from the date of signing of these accounts. On this basis, the directors consider it appropriate to draw up the accounts on a going concern basis.

Turnover

Turnover represents sales of goods and services supplied to customers during the year. Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Membership income is recognised on the basis of the amount receivable for the year.

Where payments are received in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Pension costs

The Company operates a defined contribution scheme. Pension contributions payable in the year are charged to the statement of comprehensive income as incurred. Differences between contributions payable in the year and contributions actually paid are shown either in accruals or prepayments in the statement of financial position.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, excluding freehold land, and is calculated to write off the cost less estimated residual value of each asset over its estimated useful life at the following rates:

Freehold Buildings	- 2% on cost
Plant & equipment	- 20% straight line
Fixtures and fittings	- 20% straight line

Stocks

Stocks are carried at cost less impairment provision. The Company assesses at each year end whether any stock is impaired. This assessment is made by comparing the carrying amount of a stock item with its selling price less costs to complete and sell. Selling price is calculated by estimating the likely end sales value less disposal costs. If an item of stock is impaired the Company reduces the carrying amount to its selling price less costs to complete and sell; the resulting impairment loss is recognised immediately in the statement of comprehensive income. When the circumstances that previously caused stock to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changes economic circumstances, the Company reverses the amount of the impairment so that the new carrying amounts is the lower of the cost and the revised selling price less costs to complete and sell.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price, including transaction costs, unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument, are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents

Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. The bank overdraft is used to fund day to day operations of the Company and is included within creditors (See note 12).

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

Non-financial assets comprise property, plant and equipment.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

Financial assets comprise trade and other debtors.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Critical accounting judgements and key sources of estimate uncertainty

In the application of the Company's accounting policies, which are described in the statement of accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Impairment of tangible fixed assets

The Company assesses at each year end whether land and buildings are impaired. This assessment is made by comparing the carrying amount with its selling price. Selling price is calculated by estimating the likely end sales value less disposal costs. If an item is impaired the Company reduces the carrying amount to its selling price less disposal costs; the resulting impairment loss is recognised immediately in the statement of comprehensive income.

4 Turnover

Turnover comprises:

	2016	2015
	£	£
Food and beverage sales	776,373	747,599
Membership and green fee sales	710,385	682,576
	1,486,758	1,430,175

5 Employees

a) Number of employees

	2016	2015
	Number	Number
Office and management	3	3
Golf course	9	9
Catering and bar	15	15
	27	27

b) Aggregate remuneration

	2016	2015
	£	£
Wages and salaries	606,977	595,806
Social security costs	49,126	49,414
Other pension costs	3,315	1,260
	659,418	646,480

No director received any remuneration in this year or the previous year.

6 Operating loss

This is stated after charging the following:

	2016	2015
	£	£
Depreciation	94,302	97,836
Auditor's remuneration:		
- audit of the accounts	4,800	4,000
- taxation	2,000	2,000

7 Interest payable and similar charges

	2016	2015
	£	£
Interest on intragroup borrowings repayable within five years	208,155	198,565
Other interest payable	6,664	5,865
	214,819	204,430

8 Tax on loss on ordinary activities

The tax charge comprises:

	2016	2015
	£	£
Current taxation		
UK corporation tax	-	-
	-	-

	2016	2015
Tax reconciliation		
Loss on ordinary activities before tax	(225,608)	(254,488)
Loss on ordinary activities multiplied by 20% standard UK corporation tax rate (2015: 21%)	(45,302)	(53,875)
Tax effects of:		
Unrecognised deferred tax assests	(39,742)	(4,324)
Expenses not deductible for tax purposes	9,432	19,093
Group relief surrendered	75,612	39,106
Total current tax charge	-	-

A potential deferred tax asset of approximately £5,713 (2015: £44,982) in respect of trading losses has not been recognised on the grounds that there is insufficient evidence that suitable taxable profits will arise to enable the losses to be relieved. The relief of these trading losses is available in the future when suitable taxable profits arise.

Factors affecting future tax charges

On 15 September 2016 Parliament approved a reduction in the corporation tax rate to 17% for the tax years from April 2020.

9 Fixed assets

	Land & Buildings	Plant & Machinery	Office Equipment	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
1 March 2015	1,588,007	1,026,948	23,620	270,437	2,909,012
Additions	-	237,483	5,262	7,641	250,386
Disposals	-	-	(2,500)	-	(2,500)
28 February 2016	1,588,007	1,264,431	26,382	278,078	3,156,898
Depreciation					
1 March 2015	571,509	946,003	20,640	256,389	1,794,541
Charge for the year	31,183	50,715	1,852	10,552	94,302
Disposals	-	-	(2,500)	-	(2,500)
28 February 2016	602,692	996,718	19,992	266,941	1,886,343
Net book value					
28 February 2016	985,315	267,713	6,390	11,137	1,270,555
28 February 2015	1,016,498	80,945	2,980	14,048	1,114,471

Included in cost of land and buildings is freehold land of £28,871 (2015: £28,871) which is not depreciated.

10 Stocks

	2016	2015
	£	£
Food, drink and golf course stocks	27,927	29,222

11 Debtors

	2016	2015
	£	£
Trade debtors	6,561	7,405
Corporation tax	2,490	2,490
Other debtors	611	1,123
Prepayments	21,630	29,590
	31,292	40,608

Notes to the accounts (continued)
For the year ended 28 February 2016

12 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	85,814	52,400
Bank overdraft	650,244	553,979
Amounts owed to group undertakings	1,531,357	1,275,518
Other creditors	19,737	38,493
Accruals and deferred income	528,222	513,519
Taxation & social security	11,248	21,759
	2,826,622	2,455,668

The bank overdraft is repayable on demand and bears interest at 2.9% over Barclays Bank PLC base rate. It is secured by fixed and floating charges over the Company's assets; land and buildings. In addition, there are unlimited cross guarantees between the Company and certain other Comland PLC Group companies in favour of Barclays Bank PLC.

13 Called-up share capital

	2016	2015
	£	£
Allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	23	23

14 Reserves

The Company's reserves are as follows:

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

15 Contingent liabilities

There are unlimited cross guarantees between the Company and certain other group companies in favour of Barclays Bank PLC.

16 Related party transactions

Sonning Golf Club Limited is supported by the Comland PLC Group by way of financial investment and guarantees of its bank arrangements. At 28 February 2016 the Company owed the Comland PLC Group £1,531,357 (2015: £1,275,518). The Company paid interest of £208,155 (2015: £198,565) to companies within the Comland PLC Group in respect of intergroup borrowings. Intragroup borrowings have no fixed repayment date and are repayable on demand.

Comland PLC also provides management and administration support to Sonning Golf Club Limited for which it receives an annual fee of £20,000 (2015: £20,000).

The Company's freehold land and buildings is provided as part of the security for the loan from Barclays Bank Plc to Comland Industrial & Commercial Properties Ltd, a 100% subsidiary of the Comland PLC Group, of £31,975,000 (2015: £32,500,000). The Company borrows funds from group undertakings to finance its activities.

17 Ultimate parent company

The ultimate parent company is Comland PLC. Copies of the group accounts can be obtained at Lunar House, Mercury Park, Wycombe Lane, Wooburn Green, High Wycombe, Bucks HP10 0HH.

18 Controlling party

At 28 February 2016 Mr SJ Crossley, a director of Comland PLC, controlled the company as a result of controlling directly 34.1% of the issued share capital of Comland PLC, and a further 65.8% through other indirect interests including non-beneficial interests for which he is a trustee.

Of these indirect interests 37.7% of the issued share capital of Comland PLC is a non-beneficial interest for which Mr SJ Crossley and Mr CG Martin, all directors of Comland PLC, control as trustees. Mr SJ Crossley is a trustee of a further non-beneficial interest of 11.1% of the issued share capital. Mr SJ Crossley is a discretionary beneficiary of 17% of the issued share capital.

19 FRS 102 transition

These financial statements are the Company's first financial statements that comply with FRS 102. The date of transition to FRS 102 was 1 March 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.