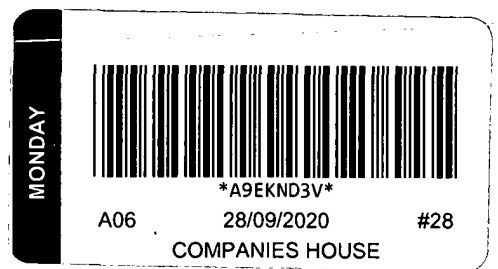


COMPANY REGISTRATION NUMBER 02644273

**HANBURY MANOR GOLF AND COUNTRY CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



## **HANBURY MANOR GOLF AND COUNTRY CLUB LIMITED**

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**Annual Report and Financial Statement for the year ended 31 December 2019**

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**GENERAL INFORMATION**

**Directors**

Adnan Shamim  
Martin Smith  
Philip Millard  
Roger Blackall  
Yaser Almanseer (Resigned on 14 November 2019)

**Secretary**

Crestbridge UK Limited  
8 Sackville Street  
London  
England  
W1S 3DG

**Registered Office**

8 Sackville Street  
London  
England  
W1S 3DG

**Registered number**

02644273

**Independent Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Directors' report for the year ended 31 December 2019**

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The directors present their report together with the audited financial statements for the year ended 31 December 2019.

**Incorporation**

Hanbury Manor Golf and Country Limited was incorporated under the provisions of the Companies Act 2006 on 10 September 1991, its registration number is 02644273 and is domiciled in London, United Kingdom. The Company is a private company limited by guarantee without share capital.

**Principal activity**

The Company receives subscription monies for the golf and leisure club and pays rent to Poles Limited for the use of the golf course.

**Results and Dividends**

The Company made a loss before tax for the year ended 31 December 2019 amounting to £80,536 (2018: £88,222).

No dividend has been declared for the year ended 31 December 2019 (2018: £nil).

**Political Donations and Public Expenditure**

No donations or payments were made to political parties, other political organisations in the EU or any independent election candidate. No political expenditure was incurred during the year ended 31 December 2019.

**Financial risk management objectives and policies**

The current state of the UK economy and ability to operate the Golf course: The current covid-19 pandemic has resulted in the complete / partial closure of the golf operations during certain time period from March to June. While the Company has been able to meet its operating expenses through the shareholders support, it is uncertain how long the current "lockdown" will last and over what period the current restrictions will be lifted. The Company, however, has taken decisive action to secure its long term future and is in discussion with the members for discount compensation to be given to members in subscriptions for the loss of time during closure of golf course.

Further details of the Company's financial risk management objectives and policies can be found in Note 10 in the financial statements.

**Directors**

The directors of the Company who served during the year and to the date of this report are detailed on page 1.

The following Directors are members of the Company and therefore each hold a debenture in the company:

David Cooper	Debenture of £7,000
Martin Smith	Debenture of £10,000
Philip Millard	Debenture of £10,000

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the 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.

**Employment of disabled persons**

Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

**Going concern**

As at 31 December 2019 the Company had a net liabilities position of £1,064,821 (2018: £984,284) and net current liabilities position of £218,838 (2018: £165,958).

On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation and the impacts of COVID-19 have been taken into consideration as part of the going concern assessment. As at the date of signing these financial statements:

The Company revenue until February 2020 increased by 6% as compared to same period for 2019. As the golf course is closed for business since 25 March 2020, the directors are in discussion with the members to compensate for the loss of time in 2021 annual member subscriptions. The major cost of the Company is the rent paid to poles limited which will be adjusted in line with the compensation given to the members.

Based on the above factors, management has forecasted that the Company will not be able to meet its obligations that arise in the future on its own and at least for the 12 months from sign off. The parent company has committed to provide continuing support for obligations that arise in the future and have formalised this through a binding letter of support. As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of their ultimate parent company to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the parent company's Board of Directors. The directors believe, taking into account the matters discussed above, that the Company has sufficient financial support and that it is appropriate to prepare the financial statements on a going concern basis.

**Directors' report for the year ended 31 December 2019 (continued)**

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**Statement of directors' responsibilities****Directors qualifying third party indemnity provisions**

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the directors' report.

**Future developments**

The outlook for 2020 is for slower global economic growth (of about 2.8%) as the global economy is affected by the US-China trade war, the risk of a no-deal Brexit, the threat of a sharp Eurozone slowdown and debt default risks in emerging economies. Since December 2019, the outbreak of the COVID-19 coronavirus has had a devastating impact on the world economy. Hotels in London and major UK cities are likely to be more affected than others in the regions. Already in the 7 days to March 1 2020, RevPAR was down -6.9% in London vs. -5.4% regionally against the last 7 days as London is more reliant on international travellers. Other cities are more mixed in their impact, seeing a range of -38% to +10% in the 7 days to March 1 2020 across the UK, with many of the regions already expected to have been impacted by Brexit in January 2020. Domestic travellers may provide some relief. It is possible that the effect on hotels could be mitigated where UK travellers opt in favor of 'staycations'. The likelihood of this will depend on government advice and public opinion on the spread of the virus. Not every location will benefit from this however, with visitors likely to prefer smaller independent properties in rural locations (source: PWC Hotels -response to COVID-19).

**Independent Auditors**

The auditors, BDO LLP, have expressed their willingness to continue in office, and that they be re-appointed will be proposed at the annual general meeting.

This report has been prepared in accordance with the provision relating to small companies within part 15 of the Companies Act 2006. By applying the small companies provisions, Hanbury Manor Golf and Country Club Limited is exempt from providing a strategic report.

**Company secretary**

The Company Secretary in office during the year and to the date of approval of the financial statements was Crestbridge UK Limited.

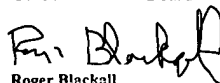
The directors are responsible for preparing the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the European Union ('EU'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRSs) as adopted by the EU have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm they have complied with these requirements.

On behalf of the Board

  
Roger Blackall  
Director

08/09/2020

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HANBURY MANOR GOLF AND COUNTRY CLUB LIMITED**

### **Opinion**

We have audited the financial statements of Hanbury Manor Golf and Country Club Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

#### **Opinions 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 the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors Responsibilities, 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: <https://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.



Mark RA Edwards (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
15 September 2020

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



**STATEMENT OF TOTAL COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Revenue</b>	<b>5</b>	<b>948,849</b>	<b>849,045</b>
Amortisation of prepaid operating lease expense		(27,775)	(27,892)
Administrative expenses		<u>(1,001,611)</u>	<u>(909,375)</u>
<b>Loss for the year before taxation</b>		<b>(80,537)</b>	<b>(88,222)</b>
Taxation	<b>6</b>	-	-
<b>Loss for the year after taxation</b>		<b>(80,537)</b>	<b>(88,222)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<b>(80,537)</b>	<b>(88,222)</b>

All of the Company's activities are from continuing operations.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>ASSETS</b>			
<b>Non-current asset</b>			
Prepaid operating lease	7	2,687,267	2,739,174
<b>Current assets</b>			
Prepaid operating lease	7	27,774	27,892
Amounts due from group undertaking		763,261	739,434
Other receivables		14,286	14,286
<b>Total current assets</b>		<b>805,321</b>	<b>781,612</b>
<b>Total assets</b>		<b>3,492,588</b>	<b>3,520,786</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other payables		(42,655)	(15,703)
Deferred income		(981,504)	(931,867)
		<b>(1,024,159)</b>	<b>(947,570)</b>
<b>Non-current liability</b>			
Members' Debentures	8	(3,533,250)	(3,557,500)
		<b>(3,533,250)</b>	<b>(3,557,500)</b>
<b>Total liabilities</b>		<b>(4,557,409)</b>	<b>(4,505,070)</b>
<b>Net Liabilities</b>		<b>(1,064,821)</b>	<b>(984,284)</b>
<b>Capital and reserves</b>			
Accumulated loss	9	(1,064,821)	(984,284)
<b>Total equity</b>		<b>(1,064,821)</b>	<b>(984,284)</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and were approved and authorised for issue by the Board of Directors on 8 September 2020 and were signed on its behalf:

Director



Roger Blackall

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Accumulated loss £</b>
<b>As at 1 January 2018</b>	<b>(896,062)</b>
Total comprehensive loss for the year	(88,222)
<b>As at 31 December 2018</b>	<b>(984,284)</b>
Total comprehensive loss for the year	(80,537)
<b>As at 31 December 2019</b>	<b>(1,064,821)</b>

The notes on pages 11 to 16 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Operating activities</b>			
Loss before taxation		(80,537)	(88,222)
<b>Adjustments for non-cash items and non-operating items</b>			
Amortisation of prepaid operating lease	7	27,775	27,892
Other adjustments in prepaid operating leases	7	24,250	28,750
<b>Cash Flow used in operation before changes in working capital</b>		<b>(28,512)</b>	<b>(31,580)</b>
Increase in deferred income		49,637	128,820
Decrease in other receivables		-	(14,286)
Net change in amounts due from group undertakings		(23,827)	(80,302)
Increase in other payables		26,952	5,598
<b>Net cash generated from operating activities</b>		<b>24,250</b>	<b>8,250</b>
<b>Cash flow from financing activities</b>			
Net redemption of members' debentures		(24,250)	(8,250)
<b>Net cash used in financing activities</b>		<b>(24,250)</b>	<b>(8,250)</b>
<b>Increase in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year		-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>-</b>	<b>-</b>

The notes on pages 11 to 16 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Activities

The Company's financial statements for the year ended 31 December 2019 were authorised for issue by the Board of Directors. Hanbury Manor Golf and Country Club Limited is a company incorporated and domiciled in England and Wales.

### 2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in Note 3.

The Company is exempt from presenting an individual statement of total comprehensive income in terms of Section 408 of the Companies Act 2006.

#### Basis of preparation

The financial statements are presented in pounds sterling. They are prepared on the historic cost basis except that non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

### 3 Significant accounting policies

#### Going concern

As at 31 December 2019 the Company had a net liabilities position of £1,064,821 (2018: £984,284) and net current liabilities position of £218,838 (2018: £165,958).

On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation and the impacts of COVID-19 have been taken into consideration as part of the going concern assessment. As at the date of signing these financial statements:

The Company revenue until February 2020 increased by 6% as compared to same period for 2019. As the golf course is closed for business since 25 March 2020, the directors are in discussion with the members to compensate for the loss of time in 2021 annual member subscriptions. The major cost of the Company is the rent paid to poles limited which will be adjusted in line with the compensation given to the members.

Based on the above factors, management has forecasted that the Company will not be able to meet its obligations that arise in the future on its own and at least for the 12 months from sign off. The parent company has committed to provide continuing support for obligations that arise in the future and have formalised this through a binding letter of support. As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of their ultimate parent company to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the parent company's Board of Directors. The directors believe, taking into account the matters discussed above, that the Company has sufficient financial support and that it is appropriate to prepare the financial statements on a going concern basis.

#### New and amended standards, and interpretations, mandatory for the first time for the financial year beginning 1 January 2019.

##### IFRS 16

IFRS 16 is a new accounting standard that is effective from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessors and lessees and replaces the classification and measurement models under IAS 17 'Leases', IFRIC 4 Determining whether an Arrangement contains a lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The impact of IFRS 16 'Leases' is discussed below.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability are recognised for all leases by lessees except for short-term leases and leases of low value assets. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as financing cash flows; under the IFRS 16 model, the lease payments will be financing cash flows.

On transition to IFRS 16, no adjustments were required by the Company as all leases are either short term or low value.

There are no other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2019 that had a material impact on the Company.

#### New standards, amendments and interpretations issued but with no material impact on the company

##### Annual improvements to IFRSs 2015-2017 cycle

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3 Significant accounting policies (continued)****New standards, amendments and interpretations issued but with no material impact on the company (continued)****Annual improvements to IFRSs 2015-2017 cycle (continued)**

IAS 12 Income Taxes. The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 Borrowing Costs. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The above new and amended standards and interpretations have not had any material impact on the Company's financial statements in the current year.

**New standards, amendments and interpretations issued but effective for the financial period beginning January 2020 or later and not early adopted****Amendment to IFRS 3 Definition of Business**

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance.

Distinguishing between a business and a group of assets is important because an acquirer recognises goodwill only when acquiring a business.

The amendments should be applied to business combinations for which the acquisition date is on or after the beginning of the first annual periods beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. This amendment may have impact on the financial statements of the Group in future periods should such transactions arise.

**Amendments to IAS 1 and IAS 8, Definition of Material**

On 31 October 2018, the IASB issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective for annual reporting periods beginning on or after 1 January 2020.

The Company has chosen not to early apply the amendments to IAS 1 and IAS 8 for the reporting period ending 31 December 2019, which are mandatory for annual reporting periods beginning on or after 1 January 2020.

**Financial assets**

Financial assets are classified as debt instruments, at initial recognition, and subsequently measured at amortised cost, based on the Company's business model for these assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company transfers the financial asset.

**Impairment of financial assets**

IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

For other receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3 Significant accounting policies (continued)****Financial liabilities**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not:

- (i) contingent consideration of an acquirer in a business combination;
- (ii) held for trading; or
- (iii) designated as at FVTPL;

are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

***Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of total comprehensive income.

**Provisions**

Provisions are recognised when the Company has an obligation arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Revenue**

Revenue represents subscription from members' net of Value Added Tax.

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Membership fees revenue is recognised evenly throughout the period of membership with deferred balances held in the Statement of Financial Position as prepaid membership subscriptions.

**Foreign currencies**

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in the net profit and loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity. Sterling is both the presentational and functional currency of the Company.

**Expenses**

Expenses are included on an accruals basis.

**Taxation*****Value added tax ("VAT")***

Revenues, expenses, assets and liabilities are recognised at the net amount except where the VAT incurred is not recoverable from the taxation authority, in which case the VAT is recognised as a part of the cost of acquisition of the asset or as part of the expense item as applicable.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**3 Significant accounting policies (continued)**

*Current income tax*

The Company is subject to corporation tax in the UK of 19% (2018: 19%).

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the country where the Company operates and/or generates taxable income.

*Deferred tax*

Deferred tax is provided on all temporary differences, with certain exceptions, at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxes are recognised as assets only to the extent that they are considered capable of being realised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

**Judgements and estimates**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. The estimates and assumptions used in the Company's financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual amounts and results could differ from such estimates and assumptions.

As required by IAS 10 the directors have considered the impact of the Covid-19 pandemic on the financial statements. The World Health Organisation declared a global health emergency in January 2020 and a global pandemic in March 2020 and as the impact by the balance sheet date was limited to areas in China which do not have an impact on the operations or results of the Company, this has been treated as a non-adjusting post balance sheet event. The result of this is that the financial impact of the pandemic has not been considered in the estimates or judgements.

Disclosures are required about the key sources of estimation, uncertainty and a summary of judgements management has made in the process of applying the accounting policies. The directors have not identified any key sources of estimation and uncertainty in preparing the financial statements.

**4 Staff costs and directors' emoluments**

**a) Directors' emoluments**

None of the directors received any emoluments from the Company during the year (2018: £nil)

**b) Staff costs**

There are no employees other than the directors (2018: £nil)

**5 Revenue**

	2019 £	2018 £
Golf annual member dues	399,029	352,354
Annual membership	549,820	496,692
	<u>948,849</u>	<u>849,045</u>

**6 Taxation**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(80,537)</u>	<u>(88,222)</u>
UK corporation tax at 19 % (2018: 19%) on loss for the year	(15,302)	(16,762)
Disallowable costs including non-qualifying depreciation	5,277	5,299
Other movements in timing difference not recognised	-	10,256
Group relief (claimed)/surrendered at nil cost	10,025	-
Effects of change in tax rate	-	1,207
<b>Tax on ordinary activities</b>	<u>-</u>	<u>-</u>

At 31 December 2019 the Company has an unrecognised deferred tax asset in respect of trading losses of £11,975 (2018: £20,606).



**NOTES TO THE FINANCIAL STATEMENTS  
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**7 Prepaid operating lease**

	2019 £	2018 £
<i>Analysed in:</i>		
Non-current assets	2,687,267	2,739,174
Additions	-	-
Current assets	27,774	27,892
	<u>2,715,041</u>	<u>2,767,066</u>
		£
At 31 December 2017		2,823,708
Movements during the year		(28,750)
Amortisation		(27,892)
At 31 December 2018		<u>2,767,066</u>
Movements during the year		(24,250)
Amortisation		(27,775)
At 31 December 2019		<u>2,715,041</u>

**8 Members' Debentures**

	2019 £	2018 £
Member's Debentures	<u>3,533,250</u>	<u>3,557,500</u>

Member's debentures have no rights to dividends. They are redeemable upon the member resigning membership of the golf and country club and a new member joining in accordance with the debenture prospectus or on a winding up. The debentures carry no voting rights.

**9 Reserves**

The following describes the nature and purpose of each reserve within equity:

Accumulated loss: all other net gains and losses and transactions with owners not recognised elsewhere.

**10 Financial risk management objectives**

The Company's principal financial liabilities are trade payables and Members' debentures. The main purpose of these liabilities is to finance the Company's operations. The Company has various financial assets such as trade and other receivables and amounts due from group undertaking which arise from its operations.

Given the nature of the Company's operations and the simplicity of its balance sheet neither the Company's financial assets nor its financial liabilities are subject to significant risk and so disclosure of their sensitivity to such variances as interest rates, exchange rates or sensitivities has not been presented in these financial statements. The Board of Directors reviews and agrees policies for managing each of these risks.

The carrying value of the Company's financial assets and liabilities are same as the equivalent amounts were they to be held at fair value.

**11 Related party transactions**

	2019 £	2018 £
Amount due from group undertaking	<u>763,261</u>	<u>739,434</u>

The amounts due from the Company's immediate parent, Poles Limited, represent the deferred balances relating to prepaid membership subscriptions.

Under a lease agreement between the Company and Poles Limited, the Company paid rent of £948,849 during 2019 (2018: £849,045) to Poles Limited.

During the year, the Secretary of the Company, Crestbridge UK Limited provided administration services to the Company amounting to £12,830 (2018: £12,010) which is included in the administration expenses. At the year end, no administration services (2018: £nil) were outstanding.

**NOTES TO THE FINANCIAL STATEMENTS  
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**12 Events after reporting period**

On 30 January 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of COVID-19 outbreak continued to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and the future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. See the going concern information provided in note 3, for more details regarding management assessment of the impact on the Company. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

**13 Ultimate controlling party**

The Company's immediate holding company is Poles Limited, a company registered in England. The ultimate parent undertaking of the Company is Stone Company S.P.C., which is registered in the Kingdom of Bahrain (under number 50107). The ultimate controlling party of the Company is the Premier Group W.L.L., Box 836, Manama, Kingdom of Bahrain. The results of the Company are consolidated in the financial statements of the immediate parent company as well as in the financial statements of the ultimate controlling party.