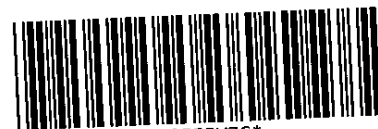


THESE ACCOUNTS NEED TO BE FILED WITH INDIVIDUAL COMPANY ACCOUNTS OF WITNEY LAKES RESORT LIMITED (COMPANY NO: 02763609). TO BE PLACED ON THE PUBLIC FILE OF WITNEY LAKES RESORT LIMITED. IN ACCORDANCE WITH SECTION 479A OF THE COMPANIES ACT 2006.

Company No: 11272787

VONNCO LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

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COMPANIES HOUSE

VONNCO LIMITED DIRECTORS AND ADVISORS

DIRECTORS

Steve Burns	(Non-Executive Chairman)
Thierry Delsol	
Paul Stephens	
Catherine Ferma	
Simon Jones	
Bill Prestley	(Non-Executive)
Ian Wood	(Non-Executive)

SECRETARY

None

COMPANY NUMBER

11272787

REGISTERED OFFICE

Castle Royie Golf & Country Club
Bath Road
Reading
Berkshire
RG10 9AL

AUDITOR

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

VONNCO LIMITED STRATEGIC REPORT

The directors present their Strategic Report for Vonnco (Company No. 11272787) for the year ended 29 September 2019.

Business review

On 17 May 2018, the Company acquired 100% of the Club Company Group Ltd ("CCGL"), an owner and operator of golf and country clubs in the UK. The consolidated statement of comprehensive income on page 8 shows the prior period results of the Group for the period from 17 May 2018 to 30 September 2018. The table below shows the underlying earnings of the Group on a full year on year basis, as if the Group had always been in existence.

	Year ended 29 September 2019 £'000	Year ended 30 September 2018 £'000
Turnover	47,697	46,008
Cost of sales	(4,253)	(4,145)
Gross profit	43,444	41,864
Club overheads excluding depreciation	(30,674)	(29,736)
Club earnings	12,770	12,127
Central costs	(2,209)	(2,008)
Earnings before interest, tax and depreciation ("EBITDA")	10,561	10,119

On 23 May 2019, the Group acquired 100% of the share capital of Chesfield Downs Golf and Country Club. The business continues to trade successfully and no changes in trading activity are envisaged in the near future. The group plans to invest in a number of its facilities in the financial year 2019/20.

It is intended that further clubs be brought into the Group as and when suitable opportunities arise.

Key performance indicators

Like for like club EBITDA (after allowing for the effect of acquisitions), increased by just over 2% year on year along with membership subscription income which showed an increase of just under 2%.

Like for like membership headcount fell slightly during the year but was more than offset by yield. Attrition rates remained broadly similar and continue to be (at around 29%) the best amongst industry peer group.

VONNCO LIMITED STRATEGIC REPORT (continued)

Principal risks and uncertainties

The business is operationally geared in that a high proportion of its cost base is fixed. Accordingly, fluctuations in certain revenue streams can have a disproportionate effect on operating profits.

The business is asset backed and carries a high level of financial leverage, as disclosed in notes 14 and 15. This can cause movements in asset values to create a disproportionately large effect on equity value.

The business operates within the leisure sector, which is considered from an economic perspective to be discretionary consumer spend. Accordingly, economic downturns could have an impact on trading performance.

Brexit related risks are considered low but are being kept under review.

Matters of strategic importance

The pre-eminent figure in the Group balance sheet is the valuation of its fixed assets.

Fixed assets have been externally revalued as at 14 October 2019 (and adopted at 29 September 2019). Valuations were conducted by Christie & Co, Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors. All properties were valued in accordance with RICS Appraisal and Valuation Standards as fully equipped operational entities.

Post balance sheet events

On 26 November 2019, the Group completed a re-financing of its senior debt facilities with the following consortium of lenders:

- Apollo Investment Corporation
- Athora Lux Invest S.à.r.l.
- MidCap Funding (Ireland) Limited
- MidCap Financial (Ireland) Limited

All amounts owed to Santander and Lloyds Bank were repaid as part of this re-financing. The new facility will permit significant investment in the existing estate, as well as allowing new acquisitions to be made.

On 12 December 2019, the Group completed the purchase of Cams Hall golf club, located near Portsmouth in Hampshire.

On behalf of the Board



Paul Stephens
Director
30 January 2020

VONNCO LIMITED DIRECTORS' REPORT

The directors present their report and audited financial statements for the Group for the year ended 29 September 2019. The year is defined as the 52 week period ending on 29 September 2019. The Group has, in accordance with Section 414c of The Companies Act, set out in the Strategic Report information regarding key performance indicators and principal risks and uncertainties that would otherwise have been set out in the Directors' report.

Principal activities

The principal activity of the Group is the ownership and operation of golf and country clubs.

The principal activity of the Company is that of a holding company co-ordinating the activities of its subsidiary undertakings.

Results and dividends

The results of the Group for the year, as set out on page 8, show a loss after tax of £2,404k (period ended 30 September 2018: £1,643k profit). The group paid no dividend during the year (period ended 30 September 2018: £nil).

Future developments

The Group will seek to enhance its existing profitability via both organic and inorganic growth, capitalising on unutilised planning consents within the estate as well as seeking new acquisition opportunities.

Risk management

The group manages financial risk by monitoring interest rates and hedging where considered appropriate. Liquidity and cash flow risk is monitored regularly via assessments of headroom.

Directors

The following directors have held office since 1 October 2018:

Bill Priestley
Jan Wood
Thierry Delsol
Paul Stephens
Simon Jones
Steve Burns
Catherine Ferma (appointed 1 April 2019)

Third party indemnity provision for directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

Employees

The Group's policy is to consult and discuss with employees, either individually and/or at meetings matters likely to affect employees' interests. Information on matters of concern to employees is given through departmental meetings and staff briefings, information memos, circulating minutes of monthly management meetings, reports and press releases. All of these methods seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The Group's policy is to treat all applicants regardless of gender, ethnic or national origin or disability, no less favourably than others. As such we will invite suitable disabled candidates for interview and ensure that they receive full and fair consideration based on their ability to fulfil the requirements of a position. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

VONNCO LIMITED DIRECTORS' REPORT

Streamlined Energy and Carbon Reporting (SECR)

During the year ended 29 September 2019, the Group reduced its energy usage and carbon emissions (on a like for like basis) by approximately 10% assisted by the installation of LED lighting across the estate.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the Board



Paul Stephens
Director
30 January 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VONNCO LIMITED

Opinion

We have audited the financial statements of Vonnco Limited (the parent company) and its subsidiaries (the group) for the year ended 29 September 2019 which comprise the Consolidated Statement of Comprehensive Income, the consolidated and parent company Statements of Financial Position, the consolidated and parent company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 September 2019 and of the group's loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 group and parent 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 group's or the parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VONNCO LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5 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 group's and the parent 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 group or the parent 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: <http://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.

RSM UK Audit LLP

JOANNA SOWDEN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30.1.2020

VONNCO LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 SEPTEMBER 2019

	Notes	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Turnover	3	47 697	19 377
Cost of sales		(4 253)	(1 789)
Gross profit		43 444	17 288
Administrative expenses		(35 252)	(12 670)
Operating profit		8 192	4 618
Profit on sale of fixed assets		1 259	-
Impairment provision against carrying value of fixed assets		(2 767)	-
Interest payable and similar charges	4	(8 174)	(2 744)
(Loss) / Profit before taxation	5	(1 490)	1 874
Taxation charge	7	914	831
(Loss) / Profit after taxation for the financial year		(2 404)	1 043
Other comprehensive income		8 743	-
Total comprehensive income for the financial year		6 339	1 043

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VONNCO LIMITED (Company No: 11272787)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 29 SEPTEMBER 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	8	120,088	105,631
Intangible fixed assets			
Goodwill	9	123	-
Negative goodwill	9	2,535	2,829
		<u>2,412</u>	<u>2,829</u>
Total fixed assets		<u>122,500</u>	<u>108,460</u>
Current assets			
Stocks	12	726	839
Debtors due within one year	13	1,140	1,022
Cash at bank and in hand		6,013	1,859
		<u>7,879</u>	<u>3,720</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(11,725)	(9,620)
Net current liabilities		<u>(3,846)</u>	<u>(5,900)</u>
Total assets less current liabilities		<u>118,654</u>	<u>102,560</u>
Creditors: amounts falling due after more than one year	15	(102,527)	(92,156)
Deferred taxation	18	2,955	(2,735)
Net assets		<u>8,348</u>	<u>2,011</u>
Capital and reserves			
Called up share capital	19	13	13
Share premium	19	953	955
Capital redemption reserve	19	2	-
Revaluation reserve	19	8,743	-
Profit and loss account	19	1,360	1,043
Total equity		<u>8,348</u>	<u>2,011</u>

The financial statements on pages 8 to 34 were approved by the board of directors and authorised for issue on 30 January 2020 and are signed on its behalf by



Paul Stephens
Director

VONNCO LIMITED (Company No: 11272787)
COMPANY STATEMENT OF FINANCIAL POSITION
AT 29 SEPTEMBER 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments	10	-	-
Current assets			
Debtors due within one year	13	30 465	30 468
Current liabilities			
Creditors amounts falling due within one year	14	-	-
Net current assets		30 465	30 468
Creditors amounts falling due after more than one year	15	(33 659)	(30 599)
Net liabilities		(3,194)	(131)
Capital and reserves			
Called up share capital	19	13	13
Share premium	19	955	955
Capital redemption reserve	19	2	-
Profit and loss account	19	4 162	1 099
Total equity		(3,194)	(131)

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss and total comprehensive income for the year was £3 061k, period ended 30 September 2018: £1 099k loss.

The financial statements on pages 8 to 34 were approved by the board of directors and authorised for issue on 30 January 2020 and are signed on its behalf by



Paul Stephens
Director

VONNCO LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 SEPTEMBER 2019
(Company No: 11272787)

	Share capital £000	Share premium £000	Capital redemption reserve £000	Revaluation reserve £000	P&L reserve £000	Total equity £000
Balance at incorporation	-	-	-	-	-	-
Transactions with owners						
Issue of ordinary shares	13	955				968
Profit for the period					1,043	1,043
Balance at 30 September 2018	13	955	-	-	1,043	2,011
Transactions with owners						
Purchase / cancellation of ordinary shares		(2)	2		(2)	(2)
Other comprehensive income						
Revaluation of fixed assets				8,450		8,450
Deferred tax movement on revaluation of fixed assets				293		293
Loss for the year					(2,404)	(2,404)
Balance at 29 September 2019	13	953	2	8,743	(1,363)	8,348

VONNCO LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 SEPTEMBER 2019

(Company No: 11272787)

	Share capital £000	Share premium £000	Capital redemption reserve £000	P&L reserve £000	Total equity £000
Balance at incorporation	-	-	-	-	-
Transactions with owners:					
Issue of ordinary shares	13	955			968
Loss for the period				(1,099)	(1,099)
Balance at 30 September 2018	13	955	-	(1,099)	(131)
Transactions with owners:					
Purchase / cancellation of ordinary shares		(2)	2	(2)	(2)
Loss for the year				(3,061)	(3,061)
Balance at 29 September 2019	13	953	2	(4,162)	(3,194)

VONNCO LIMITED (Company No: 11272787)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

	Notes	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Operating activities			
Cash generated from operations	20	12,129	3,216
Interest paid		(1,623)	(1,033)
Corporation tax paid		62	-
Net cash from operating activities		10,444	2,183
Investing activities			
Purchase of subsidiaries, net of cash acquired	21	4,386	25,296
Repayment of former shareholder loan notes		-	22,997
Purchase of tangible fixed assets		6,121	(1,490)
Net cash used in investing activities		(11,107)	(49,783)
Financing activities			
Proceeds from issue of loan notes		3,350	20,132
Proceeds from issue of preference shares		-	29,500
(Costs of) proceeds from cancellation / issue of ordinary shares		(2)	968
Proceeds from new borrowings		3,350	-
Repayment of borrowings		(1,662)	(949)
Repayment of amounts owed under hire purchase		(123)	(169)
Financing costs incurred		(96)	23
Net cash from financing activities		4,817	49,459
Net increase in cash and cash equivalents		4,154	1,859
Cash and cash equivalents at beginning of period		1,859	-
Cash and cash equivalents at end of period	20	6,013	1,859
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		6,013	1,859

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

1. Accounting policies

Company information

Vonnco Limited (the Company) is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office and principal place of business is Castle Royle Golf & Country Club, Bath Road, Reading, Berkshire, RG10 9AL. The Group consists of Vonnco Limited and all of its subsidiaries. The Company's principal activity is that of a holding company co-ordinating the activities of its subsidiary undertakings. The principal activity of the Group is the ownership and operation of golf and country clubs.

1.1 Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold and leasehold properties at fair value. The FRC's Triennial Review amendments to FRS102, issued in December 2017, have been adopted early and have been applied in the preparation of these financial statements.

The accounting period for the year ended September 2019 is the 52 week period ended 29 September 2019. The comparative trading period is four and a half months, the Company having incorporated on 23 March 2018 and having commenced trading on 17 May 2018.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Reduced disclosure

In accordance with FRS 102, the individual company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4: Statement of Financial Position – Reconciliation of the opening and closing number of shares
- Section 7: Statement of Cash Flows – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11: Basic Financial Instruments & Section 12: Other Financial Instrument Issues – financial instrument disclosures

The financial statements of the Company are consolidated within these Group financial statements, which are publicly available from the Companies House, Crown Way, Cardiff CF14 3UZ.

1.3 Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the year and total comprehensive income for the year were £3,061k (period ended 30 September 2018: £1,099k loss).

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

1.4 Basis of consolidation

The consolidated financial statements incorporate those of Vonnco Limited and all of its subsidiaries (ie entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 29 September 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given (equity instruments issued and liabilities incurred or assumed) plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill, or vice-versa, negative goodwill.

1.5 Going concern

The directors have reviewed the forecasts for the forthcoming 12 months from the signing of these accounts and based on the existing cash and projected income and expenditure they are satisfied (notwithstanding the net current liabilities which are to be expected in a business of this nature) the Group and Company have adequate resources to continue in operations for the foreseeable future. Accordingly, the going concern basis has been used in preparing these accounts.

1.6 Functional and presentational currencies

The financial statements are presented in Sterling which is also the functional currency of the Company.

1.7 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for annual membership subscriptions, joining fees and other services supplied to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life as follows:

Fixtures, fittings and equipment	10% to 20%
Course improvements	10%
Freehold buildings and long leasehold property	2%
Freehold land is not depreciated	

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal for the asset as if it were at the age and in the condition expected at the end of its useful life. Land and buildings are accounted for separately even when acquired together.

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

1.9 Revaluation of properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.10 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

1.11 Intangible fixed assets – Goodwill and negative goodwill

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill is capitalised and written off evenly over a period of 10 years, as in the opinion of the Directors this represents the period over which the goodwill is expected to realise economic benefits. The period of 10 years reflects the best estimate of the average duration of memberships.

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit and loss in the periods expected to benefit, which the Directors consider to be 10 years.

1.12 Fixed asset investments - Company

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in profit or loss.

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

1.13 Stocks

Stocks of golf products, health and beauty products, and food and beverage are stated at the lower of cost and net realisable value. Cost is calculated on an average cost basis, and net realisable value is the estimated selling price less any costs of disposal.

At each reporting date, the Group assess if stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any shortfall of the estimated selling price less costs to complete and sell over the carrying amount of the stock is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential, i.e. benefits expected from use or sale of the stock.

1.14 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allowed for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

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

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

1.15 Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership (finance leases). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight-line basis over the lease term.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.18 Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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1.18 Financial instruments (continued)

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade and other creditors

Trade and other creditors (including accruals payable within one year that do not constitute a financing transaction) are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Preference shares

Preference shares are treated as debt as they have a fixed redemption date.

1.19 Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of freehold and long leasehold properties

The key accounting estimate in preparing these financial statements relates to the carrying value of the freehold and long leasehold properties which are stated at fair value. The company uses professional external valuers' lease terms, market conditions and sales prices based upon known market transactions for similar properties as a basis for determining the directors' estimation of the fair value of the freehold and long leasehold properties. However, the valuation of the company's freehold and long leasehold properties is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

3. Turnover

The total turnover of the Group for the year has been derived entirely from its principal activity wholly undertaken in the United Kingdom.

Analysis of turnover by category

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Sales of services	35,516	13,966
Sales of goods	12,181	5,111
	<u>47,697</u>	<u>19,077</u>

Included within turnover is £1,967k generated by Meyrick Park. Of this amount, £1,872k is classified under the terms of the lease as qualifying turnover for the purposes of calculating rent.

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

4 Interest payable and similar charges

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Interest arising on:		
Bank loans and overdrafts	1,959	764
Loan notes	2,169	750
Preference shares	3,061	1,099
Hire purchase contracts	42	16
Amortisation of bank arrangement fees	943	113
	<u>8,174</u>	<u>2,744</u>

The amortisation period of the bank arrangement fees was shortened in 2019 owing to the refinancing of the Group outlined in note 29.

5 (Loss) / Profit before taxation

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
The (loss) / profit before taxation is stated after charging / crediting:		
Depreciation of tangible fixed assets (note 8):		
- owned	2,106	713
- held under finance lease and hire purchase	192	112
Amortisation of goodwill (note 9)	(290)	110
Operating lease rentals (note 22)	929	345
Stock - amounts expensed to cost of sales	4,253	1,789
Profit on disposal of tangible fixed assets	1,259	-
Impairment provisions against properties	2,767	-
	<u>10,017</u>	<u>3,069</u>

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Audit services		
- Statutory audit of parent company and consolidated accounts	25	17
- Audit of subsidiaries	40	26
Other services		
- Taxation compliance services	27	11
- All other non-audit services	40	-
	<u>132</u>	<u>54</u>

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6. Employees

	Year ended 29 September 2019 No.	Period ended 30 September 2018 No.
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The average monthly number of persons (including directors) employed by the Group during the year period was

Head office	25	24
Cubs	1,162	1,051
	<u>1,187</u>	<u>1,075</u>

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Staff costs for the above persons		
Wages and salaries	15,941	5,714
Social security costs	1,120	400
Apprentice levy	64	24
Defined contribution pension cost	332	99
Total	<u>17,457</u>	<u>6,237</u>

No staff are employed by the Company

Directors

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
In respect of the directors of Vonnco Limited		
Aggregate emoluments	551	173
Company contributions to money purchase pension schemes	30	10
	<u>581</u>	<u>183</u>

The number of directors to whom retirement benefits are accruing under money purchase pension schemes was 3 (period ended 30 September 2018: 2). Directors' emoluments disclosed above include £221k (period ended 30 September 2018: £77k) for payments paid to the highest paid director

VONNCO LIMITED
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7. Taxation

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Current tax		
UK corporation tax charge	352	-
Deferred tax:		
Deferred tax charge	562	831
Total tax charge	914	831

Factors affecting the tax charge for the year / period

The tax assessed for the year / period is higher than the standard rate of corporation tax in the UK of 19% (period ended 30 September 2018: 19%). The differences are explained below:

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
(Loss) / Profit before tax	(1,490)	1,874
(Loss) / Profit multiplied by the standard rate of corporation tax in the UK of 19%	(283)	356
Effects of:		
Expenses that are not deductible in determining taxable profit	955	132
Tax losses utilised	(320)	(488)
Differences between capital allowances and depreciation	562	831
Tax charge	914	831

As at 29 September 2019, the Group had tax losses carried forward in trading companies of £778k (2018: £1,037k); in addition, the Group has non-trading losses of £20k (2018: £514k); capital losses of £3,152k (2018: £4,411k); and a capital allowance pool of £15,584k (2018: £15,014k).

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

8. Tangible fixed assets

Group	Freehold properties £'000	Long leasehold properties £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost or valuation:				
At 30 September 2018	83,347	14,562	8,456	106,365
Additions	2,975	4,997	3,099	11,071
Disposals	-	-	(262)	(262)
Revaluation	3,539	1,349	-	4,888
At 29 September 2019	89,861	20,908	11,293	122,062
Depreciation:				
At 30 September 2018	129	66	539	734
Charge in the year	418	1,183	1,697	2,298
Disposals	-	-	262	262
Revaluation	547	249	-	796
At 29 September 2019	-	-	(1,974)	(1,974)
Net book value:				
At 29 September 2019	89,861	20,908	9,319	120,088
At 30 September 2018	83,218	14,496	7,917	105,631

Fixed assets were externally revalued as at 14 October 2019 and the valuations adopted as at 29 September 2019. Valuations were conducted by Christie & Co. Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors. All properties were valued in accordance with RICS Appraisal and Valuation Standards as fully equipped operational entities.

If the freehold and long leasehold properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2019 £'000	2018 £'000
Cost	105,881	97,909
Accumulated depreciation	(796)	(195)
Carrying amount	105,085	97,714

Security against land and buildings

The Group has pledged the freehold and long leasehold properties having a net book value of £110,769k (2018: £97,714k), to secure its bank loans (notes 14 and 15) by way of a fixed charge. Included in freehold properties is land of £68,961k that is not depreciated.

Included within fixed assets within fixtures, fittings & equipment are fixed assets with a net book value of £1,184k (2018: £918k) which are held under finance leases (hire purchase). The depreciation charge for the year includes £192k (period ended 30 September 2018: £112k) in respect of assets held under finance leases (hire purchase).

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

9 Intangible fixed assets – goodwill and negative goodwill (group)

	Positive Goodwill £000	Negative Goodwill £000	Total Goodwill £000
Cost:			
At 30 September 2018		2,939	2,939
Additions – purchase of Chesfield Downs (see note 21)	127	-	127
	<hr/>	<hr/>	<hr/>
At 29 September 2019	127	2,939	3,066
	<hr/>	<hr/>	<hr/>
Amortisation			
At 30 September 2018	-	110	110
Amortised in year	4	294	298
	<hr/>	<hr/>	<hr/>
29 September 2019	4	404	408
	<hr/>	<hr/>	<hr/>
Net book value: At 29 September 2019	123	(2,535)	(2,412)
	<hr/>	<hr/>	<hr/>
Net book value: At 30 September 2018	-	(2,829)	(2,829)
	<hr/>	<hr/>	<hr/>

The amortisation of goodwill and amounts recognised in profit or loss for the year in respect of negative goodwill are included within administrative expenses

10 Fixed asset investments

Company	Shares in group undertakings £
Cost:	
At 30 September 2018 and 29 September 2019	1
	<hr/>

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

11. Subsidiary undertakings

The Company's active subsidiary undertakings included in the consolidated accounts are

<i>Name of undertaking</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held</i>	<i>Nature of business</i>
Sampsonco Limited	Ordinary	100%	Holding company
Elenco Limited*	Ordinary	100%	Holding company
Eldrickco Limited*	Ordinary	100%	Holding company
Club Company (Group) Limited*	Ordinary	100%	Holding company
Greensands Limited*	Ordinary	100%	Property ownership and management
The Club Company Acquisitions (Holdings) Limited*	Ordinary	100%	Leisure operations
Quicksands Limited*	Ordinary	100%	Holding company
The Club Company Operations Limited*	Ordinary	100%	Leisure operations
Chartham Park Limited*	Ordinary	100%	Leisure operations
Castle Royle Limited*	Ordinary	100%	Leisure operations
The Essex Golf and Country Club Limited*	Ordinary	100%	Leisure operations
Stonevine Limited*	Ordinary	100%	Leisure operations
Woodbury Park Hotel and Golf Club Ltd *	Ordinary	100%	Leisure operations
Wharton Park Golf and Country Club Limited*	Ordinary	100%	Leisure operations
Witney Lakes Resort Limited *	Ordinary	100%	Leisure operations
Chesfield Downs Golf Centre Limited *	Ordinary	100%	Leisure operations
The Club Company UK) Limited*	Ordinary	100%	Service provider

*held through subsidiary companies

The subsidiary companies above have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirements in the Act for their individual accounts to be audited. The guarantee given by the Company under section 479A of the Act is disclosed in note 25. All the subsidiaries above have the same registered address as the Company.

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

12. Stocks

	Group	Group
	2019	2018
	£'000	£'000
Retail	394	469
Food and beverage	190	187
Health and beauty products	142	183
	726	839

There is no stock held within the Company

13. Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	375	374	-	-
Other debtors	202	67	2	5
Prepayments and accrued income	563	591	-	-
Amounts owed by subsidiaries	-	-	30,463	30,463
	1,140	1,032	30,465	30,468

Amounts owed by subsidiaries are unsecured, interest free, have no fixed dates for repayment and are repayable on demand

14. Creditors: Amounts falling due within one year

	Group	Group
	2019	2018
	£'000	£'000
Bank loans	2,671	2,116
Obligations under hire purchase agreements	332	280
Trade creditors	1,170	1,066
Corporation tax	290	-
Other taxation and social security costs	1,549	1,212
Other creditors	1,263	1,163
Accruals and deferred income	4,450	3,783
	11,725	9,620

There are no creditors falling due within one year within the Company

VONNCO LIMITED
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15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans	42,214	40,232	-	-
Preference shares - principal	29,500	29,500	29,500	29,500
Preference shares - accrued interest	4,159	1,099	4,159	1,099
Loan notes - principal	23,482	20,132	-	-
Loan notes - accrued interest	2,904	750	-	-
Obligations under hire purchase agreements	268	443	-	-
	<u>102,527</u>	<u>92,156</u>	<u>33,659</u>	<u>30,599</u>

The bank loans shown above and in note 14 are secured against the freehold and long leasehold properties held by the Group as follows:

- £36,544k (2018: £34,037k) net of £106k (2018: £650k) of deferred financing costs at a margin of 4% over LIBOR secured against Greensands Limited and The Club Company Acquisitions (Holdings) Limited – loan repayable by July 2022
- £8,341k (2018: £8,311k) net of £51k (2018: £354k) of deferred financing costs at a margin of between 3.0% and 3.1% over LIBOR secured against Wharton Park, Woodbury Park and Witney Lakes – loan repayable by May 2037

The preference shares carry a fixed cumulative dividend at 10% per annum, payable in kind until redemption in 2026. The preference shares are treated as debt as they have a fixed redemption date.

The loan notes carry interest at 10%, payable in kind until redemption in 2026. The loan notes are unsecured.

Amounts repayable after more than 5 years (net of £51k (2018: £335k) of deferred financing costs): total £67,047k (2018: £57,474k).

Finance lease and hire purchase contracts

Obligations under finance lease and hire purchase contracts are secured by the related assets and bear finance charges at rates ranging from 4.6% to 6.1% per annum.

	Group	Group
	2019	2018
	£'000	£'000
The total future minimum lease payments are payable		
Less than one year	358	314
Between one and five years	280	464
Total gross payments	<u>638</u>	<u>778</u>
Less finance charges	(38)	(55)
Carrying amount of liability	<u>600</u>	<u>723</u>

There are no finance lease or hire purchase contracts within the Company.

VONNCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 SEPTEMBER 2019

16. Financial instruments

The carrying amount of the Group's financial instruments at 30 September was

	Group 2019 £'000	Group 2018 £'000
<i>Financial assets - Measured at amortised cost</i>		
Trade debtors	375	374
Other debtors	202	57
Total:	<u>577</u>	<u>431</u>
<i>Financial liabilities - Measured at amortised cost</i>		
Bank loans (gross of deferred financing costs)	45,042	43,352
Preference shares - principal	29,500	29,500
Preference shares - accrued interest	4,159	1,099
Loan notes - principal	23,482	20,132
Loan notes - accrued interest	2,904	750
Obligations under hire purchase agreements	600	723
Trade creditors	1,170	1,066
Other creditors	1,263	1,163
Accruals	2,027	1,577
Total	<u>110,147</u>	<u>99,362</u>

17. Borrowings

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<i>Creditors - amounts falling due within one year</i>				
Bank loans	2,671	2,116	-	-
Hire purchase liabilities	332	280	-	-
	<u>3,003</u>	<u>2,396</u>	<u>-</u>	<u>-</u>
<i>Creditors - amounts falling due after more than one year</i>				
Bank loans	42,214	40,232	-	-
Preference shares	29,500	29,500	29,500	29,500
Preference shares - accrued interest	4,159	1,099	4,159	1,099
Loan notes - principal	23,482	20,132	-	-
Loan notes - accrued interest	2,904	750	-	-
Hire purchase liabilities	268	443	-	-
	<u>102,527</u>	<u>92,156</u>	<u>33,659</u>	<u>30,599</u>
	<u>105,530</u>	<u>94,552</u>	<u>33,659</u>	<u>30,599</u>

VONNCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2019

18. Deferred taxation

Group	Deferred tax liability £'000
At 30 September 2018	(2,735)
Acquired with purchase of Chesfield Downs	49
Movement in provision on revaluation of fixed assets	293
Increase in provision in year	(562)
At 29 September 2019	(2,955)

Provision for the deferred tax liability has been made as follows

	Group 2019 £'000	Group 2018 £'000
Fixed asset timing differences	2,161	2,476
Losses and other deductions	(794)	(259)
	2,955	(2,735)

There is an unprovided deferred tax asset of £m at 29 September 2019 (2018: £47k) in respect of losses carried forward. There is no deferred tax asset or liability within the company.

19. Share capital and reserves

Company share capital	2019 £	2018 £
Alotted, issued and fully paid		
831,893 A ordinary shares of £0.01 each	8,319	8,319
5,607 B ordinary shares of £0.01 each	56	56
31,875 C1 ordinary shares of £0.1 each	3,188	3,188
96,125 C2 ordinary shares of £0.01 each (2018: 98,125)	961	981
Total	12,524	12,544

Ordinary share rights

The company's A and B ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. The company's C1 ordinary shares, which carry no right to fixed income, each carry the right to five votes at general meetings of the company. The company's C2 ordinary shares, which carry no right to fixed income, carry no rights to vote at general meetings of the company. 10,625 C1 ordinary shares of £0.1 each and 23,875 (2018: 21,875) C2 ordinary shares of £0.01 each have been authorised but are yet to be issued.

Reserves

Reserves of the Group and Company represent the following

Share premium

Represents the premium to the nominal value of equity injected into the company by shareholders in order to support the company.

Revaluation reserve

Represents surplus of carrying value over historic cost of fixed assets (measured on a site by site basis).

Capital redemption reserve

During the year, the Company purchased and cancelled 2,000 C2 ordinary shares from a departing employee for £2,000.

Profit and loss account

Cumulative profit and loss net of distributions to owners

VONNCO LIMITED
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20. Reconciliation of (loss) / profit after tax to net cash generated from operations

	Year ended 29 September 2019 £'000	Period ended 30 September 2018 £'000
Loss / Profit after tax	2,454	1,043
Adjustments for:		
Loss on write down of fixed assets	2,767	
Depreciation of tangible fixed assets	2,298	825
Amortisation of goodwill	290	113
Interest payable	8,174	2,744
Taxation	914	831
Operating cash flows before movements in working capital	11,459	5,030
Decrease in stock	169	110
Increase in debtors	73	294
Increase / decrease in creditors	574	1,933
Cash generated from operations	12,129	3,216
Cash and cash equivalents represent:		
Cash at bank	6,013	1,859
Overdraft	-	-
	6,013	1,859

Consolidated analysis of change in net debt

	Opening balance £000	Acquisition of subsidiary £000	Cash flow £000	Non-cash movements £000	Closing balance £000
Cash	1,859	6	4,148	-	6,013
Bank loans under 1 year	2,116	-	1,662	2,217	(2,671)
Hire purchase under 1 year	(280)	-	123	(175)	(332)
Debt under 1 year	(2,396)	-	1,785	(2,392)	(3,003)
Bank loans greater than 1 year	(40,232)	-	(3,350)	1,368	(42,214)
Hire purchase greater than 1 year	(443)	-	-	175	(268)
Loan notes	(20,882)	-	(3,350)	2,154	(26,386)
Preference shares	(30,599)	-	-	(3,060)	(33,659)
Debt greater than 1 year	(92,156)	-	(6,700)	(3,671)	(102,527)
Total	(92,693)	6	(767)	(6,063)	(99,517)

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21. Acquisitions

Business combinations

On 23 May 2019, the Group acquired the entire share capital of Chesfield Downs Golf Club Limited ("CG"). CG has been accounted for using the acquisition method of accounting. The consideration paid to acquire CG (for cash flow disclosure purposes) was as shown below:

	£'000
Cash paid for ordinary shares	4,950
Directly attributable costs	176
Less: completion payment adjustment	(134)
	<u>4,992</u>
Less: cash and cash equivalents acquired	(6)
	<u>4,986</u>

At 23 May 2019 (the acquisition date), the assets and liabilities of CG were consolidated at their fair values to the Group, as set out below:

	Initial book value £'000	Fair value adjustment £'000	Fair value at date of acquisition £'000
Tangible fixed assets	3,879	1,071	4,950
Stocks	56	-	56
Debtors	46	-	46
Cash at bank	6	-	6
Deferred tax	49	-	49
Total assets	<u>4,036</u>	<u>1,071</u>	<u>5,107</u>
Other creditors	(83)	-	(83)
Accruals and deferred income	(159)	-	(159)
Total liabilities	<u>(242)</u>	<u>-</u>	<u>(242)</u>
Net assets	<u>3,794</u>	<u>1,071</u>	<u>4,865</u>

The goodwill arising on acquisition of £127k is calculated as follows:

	£000
Cash paid for ordinary shares	4,950
Directly attributable costs	176
Less: completion payment adjustment	(134)
Total	<u>4,992</u>
Less: Net assets acquired	4,865
Goodwill	<u>127</u>

VONNCO LIMITED

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FOR THE YEAR ENDED 29 SEPTEMBER 2019

21 Acquisitions (continued)

Goodwill is capitalised and written off evenly over a period of 10 years, as in the opinion of the Directors this represents the period over which the goodwill is expected to realise economic benefits. The period of 10 years reflects the best estimate of the average duration of memberships.

The acquisition contributed £766k of turnover and £123k of profit after tax to the Group's result for the year ended 29 September 2019.

22 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2019 £'000	Group 2018 £'000
Amounts due		
Within one year	991	1,026
Between one and five years	3,722	3,693
After five years	39,278	39,288
	<u>43,991</u>	<u>44,007</u>

There are no commitments under operating leases within the company.

23 Retirement benefits

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. Costs incurred in respect of the above have been charged to the statement of comprehensive income as shown in note 6 to the financial statements. There were no unpaid amounts at the year end.

24 Capital commitments

As at the balance sheet date, capital commitments of £4.7 million existed (2018: £nil). The commitments relate to the construction of a hotel at the Group's Tytherington club.

25 Contingent liabilities

In order for the subsidiary companies named in note 11 to take the audit exemption set out in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 29 September 2019 until those liabilities are satisfied in full.

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26. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Interest accrued on £29,500k (2018: £29,500k) of preference shares issued to Epiris entities (see note 28) totalled £3,061k (2018: £1,099k). Interest accrued on £23,482k (2018: £20,132k) of loan notes issued to Epiris entities totalled £2,169k (2018: £750k). Fees payable to Epiris entities in the period totalled £150k (period ended 30 September 2018: £60k).

The shares in Club Company (Group) Ltd, acquired by the Group in May 2018, included shares owned by Club Company (Nominees) Ltd ("CCNL" – company number 6755126). CCNL held these shares purely in a nominee capacity, on behalf of individual employee shareholders. CCNL is owned and controlled by Thierry Deisor and Paul Stephens.

27. Remuneration of key management personnel

The total remuneration of the directors and the managers of the Group, who are considered to be the key management personnel of the Group, was £636k (period ended 30 September 2018: £199k, including employer's national insurance of £55k (period ended 30 September 2018: £16k)).

28. Ultimate controlling party

The ultimate controlling party is Epiris GP Limited (Reg No 122884), which has its registered office at Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH. Epiris GP Limited is the ultimate parent undertaking as general partner of Epiris Fund II LP (Reg No 2376), Epiris Fund (A) LP (Reg No 2420), Epiris Fund III FFP LP (Reg No 2467) and Epiris TC LP (2558), each of whom has its registered office at Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH.

29. Post balance sheet events

On 26 November 2019, the Group completed a re-financing of its senior debt facilities with the following consortium of lenders:

- Apollo Investment Corporation
- Athora Lux Invest S.C. Sp.
- MidCap Funding IV (Ireland) Limited
- MidCap Financial (Ireland) Limited

All amounts owed to Santander and Lloyds Bank were repaid as part of this re-financing. The new facility will permit significant investment in the existing estate, as well as allowing new acquisitions to be made.

On 12 December 2019, the Group completed the purchase of Cams Hall golf club, located near Portsmouth in Hampshire.