

The Exeter Golf and Country Club Limited

Annual Report and Financial Statements

Year ended 31 March 2021

The Exeter Golf and Country Club Limited

Registered No: 00228045

Directors

W Gannon
C J Nightingale
D A Stevenson
P Lacey
M L Davey
G H Bush
J E Chenery

Chairman

Auditors

PKF Francis Clark
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Bankers

Barclays Bank plc
3 Bedford Street
Exeter
Devon
EX1 1LX

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
Devon
EX2 5WR

Registered office

Wear House
Countess Wear
Exeter
EX2 7AE

The Exeter Golf and Country Club Limited

Strategic report *(continued)*

Year Ended 31 March 2021

The Directors present their strategic report for the year ended 31 March 2021.

Principal activities and review of the business

The company's principal activities are the provision of members' sporting and social amenities in the name of Exeter Golf and Country Club. There have not been any changes in the company's principal activities in the year under review and the directors are not aware of any likely major changes in the company's activities in the next year.

The company, with its shareholder base comprising predominantly club members, operates with the intention of generating annual retained profits at low levels consistent with maintaining the integrity of its finances and future development. In so doing it seeks to enhance member services, extending and improving facilities wherever possible.

In common with all businesses, the commercial operations of EGCC were affected throughout the year to 31 March 2021 due to a combination of enforced closures and the uncertainty caused by the Covid-19 pandemic. In the early stages (until mid-May) we were totally closed. Later in the year we were allowed to open outside sporting activities, followed by being allowed to offer takeaway catering services and then finally we could provide food services indoors, although that was a stop and start process.

The Board made the decision at the outset of the pandemic that members would not be asked to pay subscriptions for the period that we were forced to close. When we were allowed to open outside sports, a level of subscription was reintroduced and during the uncertain periods, when short term closures were enforced, we introduced a levy for all members to cover the cost of keeping the premises ready to re-open at the earliest possible time.

We made full use of the funding provided by Government. The main applications were to protect the salaries of our staff whilst they were unable to work and to maintain the condition of our premises, including the golf course.

Many of our members pay their subscriptions annually in advance and as the closure started at the beginning of our financial year we had received a substantial amount of cash from those members. The Board promised those members that they would receive credit for the period they were unable to come to the Club. Unfortunately, the period of disruption became protracted and we subsequently approached these members and gave them three options. Firstly, the credit due in respect of the period of closure could be offset against their 2021/2022 subscription. Secondly, members could allow the Club to spread that credit over the next three years. Thirdly, members could donate their credit to the Club.

The Board thanks all members for their loyalty and support of the Club, particularly those who made donations or deferrals. The amounts paid in advance supported our cash flow through the most difficult phases of Covid-19.

Members were aware that the Board had authorised the start of major development works prior to Covid-19 and that the early stages of the work was to be initially funded by the proceeds from the sale and relocation of our golf practice ground. The Board believes that the improvement in facilities resulting from the development will be essential to the future prosperity of the Club and that it should therefore continue. However, the substantial losses sustained in this accounting year must be paid for and we could only secure continuity of the development with the support of our bank.

We have set out our business plan and financial forecasts for the bank and they have agreed to support the Club over the first phase of the development which has enabled us to start work on the construction of the Garden Pavilion and associated works. The Garden Pavilion works are due for completion in December 2021.

The financial forecasts made assumptions about the pace at which members would return to the Club and how much would be spent by members and non members. We are pleased to be able

The Exeter Golf and Country Club Limited

Strategic report *(continued)*

Year Ended 31 March 2021

to say that our estimates were appropriately cautious and performance in the year to date has surpassed our forecasted figures.

It is the Board's view that, based on current performance and expectation, we will be able to experience a positive financial result in the foreseeable future. This will enable the development plans to be continued and the future of the Club to be secured.

Key Performance Indicators (KPIs)

The company manages operations on a divisional or section basis. For this reason the company's directors use various key performance indicators to assist them in understanding the performance of the various sections as well as overall performance. The board will continue to monitor profitability and cash flow carefully throughout the coming year.

Principal Risks and Uncertainties

The key risk to the company in the current climate is the potential further impact of the Covid 19 pandemic. The directors are continually monitoring the impact of Covid 19 on the company's financial and operational position. As outlined in the going concern section of note 2, we are satisfied that the company has sufficient working capital available to continue to operate for a period of 12 months from the date of approval of the financial statements.

Competitive pressure is a continuing risk for the company, which could result in loss of turnover to competitors. The company manages this risk by providing added value services to our members and improving our public profile.

By order of the Board



C J Nightingale
Director

Date 11 OCTOBER 2021

The Exeter Golf and Country Club Limited

Directors' report

Year Ended 31 March 2021

The Directors present their report and the financial statements for the year ended 31 March 2021.

Results and Dividends

The loss for the year, after taxation and exceptional items, amounted to £1,156,217 (2020: Loss of £73,984). The company is prohibited from paying a dividend under the terms of the Articles of Association.

Financial Risk Management Objectives and Policies

The company's principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and loans to the company; the main purpose of these instruments is to finance the working capital requirements of the company's operations and to maintain and develop the real estate used in providing services to members and other customers.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade debtors are managed in respect of credit risk and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due, as and when they are payable.

Loans from financial institutions have variable interest rates with fixed repayments. The company manages liquidity risk by ensuring there are sufficient funds to meet the payments.

Directors

The directors who served during the year were as follows:

W Gannon
D A Stevenson
C J Nightingale
P Lacey
M L Davey (resigned September 2021)
G H Bush
J E Chenery

Retirement of directors

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

C J Nightingale
P Lacey

Directors' statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Exeter Golf and Country Club Limited

Directors' report

Year Ended 31 March 2021

By order of the Board

A handwritten signature in black ink, appearing to read 'G.J. Nightingale', with a long horizontal line extending to the right.

G.J. Nightingale

Director

Date

11 OCTOBER 2021

**Statement of directors' responsibilities in respect of the
financial statements
Year Ended 31 March 2021**

The directors are responsible for preparing the Strategic report, 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Exeter Golf and Country Club Limited

**Independent auditors' report to the members of
The Exeter Golf and Country Club Limited (continued)**

Year Ended 31 March 2021

Opinion

We have audited the financial statements of The Exeter Golf and Country Club Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, Statement of cashflows 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 company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

The Exeter Golf and Country Club Limited

Independent auditors' report to the members of The Exeter Golf and Country Club Limited (*continued*)

Year Ended 31 March 2021

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

As part of our audit planning, we gained an understanding of the company and the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company. The key regulations we identified were health and safety regulations and breaches of the General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as

The Exeter Golf and Country Club Limited
**Independent auditors' report to the members of
The Exeter Golf and Country Club Limited (*continued*)**
Year Ended 31 March 2021

the Companies Act 2006 and relevant tax legislation (including claims under the Coronavirus Job Retention Scheme (CJRS)).

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive identified is to manipulate the result for the year given the challenging trading conditions through the overstatement of revenue, understatement of expenditure or management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud, of which there were none.
- Discussed with the health and safety officer the policies and procedures in place in relation to health and safety. We reviewed the health and safety audit reports issues during the year and the board meeting minutes maintained by the company.
- Assessed the GDPR policy and made enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Examined legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Audited the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and from a review of revenue and expenditure cut off around the year end.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Tested the calculation of CJRS claims for a sample of employees.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

The Exeter Golf and Country Club Limited

**Independent auditors' report to the members of
The Exeter Golf and Country Club Limited (continued)**

Year Ended 31 March 2021

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

Glenn Nicol (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Centenary House

Peninsula Park

Rydon Lane

Exeter

EX2 7XE

Date: *12 October 2021*

The Exeter Golf and Country Club Limited

Profit and loss account

Year Ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|-------------|-------------|
| Turnover | 3 | 1,522,275 | 4,426,231 |
| Operating costs | 4 | (3,248,713) | (4,413,682) |
| Other operating income | 5 | 619,589 | - |
| Operating loss | 6 | (1,106,849) | 12,549 |
| Interest payable and similar charges | 8 | (26,368) | (25,533) |
| Loss on ordinary activities before taxation | | (1,133,217) | (12,984) |
| Tax on ordinary activities | 9 | (23,000) | (61,000) |
| Loss for the financial year | | (1,156,217) | (73,984) |

The Exeter Golf and Country Club Limited

Balance sheet
At 31 March 2021

Registered No: 00228045

| | Notes | 2021 £ | 2020 £ |
|--|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 10 | 6,611,948 | 6,765,669 |
| Current assets | | | |
| Stocks | 11 | 30,517 | 39,569 |
| Debtors | 12 | 580,273 | 404,075 |
| Cash at bank and in hand | 13 | 1,987,980 | 2,439,463 |
| | | 2,598,770 | 2,883,107 |
| Creditors: amounts falling due within one year | 14 | 2,160,982 | 1,478,507 |
| Net current assets | | 437,788 | 1,404,600 |
| Total assets less current liabilities | | 7,049,736 | 8,170,269 |
| Creditors: amounts falling due after more than one year | 15 | 798,556 | 785,872 |
| Provisions for liabilities | 18 | 704,000 | 681,000 |
| Net assets | | 5,547,180 | 6,703,397 |
| Capital and reserves | | | |
| Called up share capital | 20 | 1,140,490 | 1,140,490 |
| Revaluation reserve | | 160,200 | 161,808 |
| Profit and loss account | | 4,246,490 | 5,401,099 |
| Equity shareholders' funds | | 5,547,180 | 6,703,397 |

Approved by the Board



C J Nightingale
Director

Date 11 OCTOBER 2021

The Exeter Golf and Country Club Limited

Statement of changes in equity

Year ended 31 March 2021

| | <i>Called up share capital</i> £ | <i>Revaluation reserve</i> £ | <i>Profit and loss account</i> £ | <i>Total</i> £ |
|--------------------------------------|---|-------------------------------------|---|-------------------|
| At 1 April 2020 | 1,140,490 | 161,808 | 5,401,099 | 6,703,397 |
| Loss for the financial year | - | - | (1,156,217) | (1,156,217) |
| Transfer from revaluation reserve | - | (1,608) | 1,608 | - |
| At 31 March 2021 | <u>1,140,490</u> | <u>160,200</u> | <u>4,246,490</u> | <u>5,547,180</u> |

| | <i>Called up share capital</i> £ | <i>Revaluation reserve</i> £ | <i>Profit and loss account</i> £ | <i>Total</i> £ |
|--------------------------------------|---|-------------------------------------|---|-------------------|
| At 1 April 2019 | 1,140,490 | 163,416 | 5,473,475 | 6,777,381 |
| Loss for the financial year | - | - | (73,984) | (73,984) |
| Transfer from revaluation reserve | - | (1,608) | 1,608 | - |
| At 31 March 2020 | <u>1,140,490</u> | <u>161,808</u> | <u>5,401,099</u> | <u>6,703,397</u> |

The Exeter Golf and Country Club Limited

Statement of cash flows

Year Ended 31 March 2021

| | <i>Year ended 31 March 2021</i> | <i>Year ended 31 March 2020</i> |
|--|-------------------------------------|-------------------------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Loss for the year | (1,156,217) | (73,984) |
| Adjustments to cash flows for non-cash items | | |
| Depreciation | 383,249 | 370,886 |
| Finance costs | 26,368 | 25,533 |
| | <u>(746,600)</u> | <u>322,435</u> |
| Working capital adjustments | | |
| Decrease / (Increase) in stocks | 9,052 | (987) |
| (Increase) / Decrease in debtors | (176,198) | 1,724,144 |
| Increase / (Decrease) in creditors | 436,560 | (281,098) |
| Increase in provisions | 23,000 | 61,000 |
| Cash generated from operations | <u>(454,186)</u> | <u>1,825,494</u> |
| Taxes paid | - | - |
| Net cash flow from operating activities | <u>(454,186)</u> | <u>1,825,494</u> |
| Cash flows from investing activities | | |
| Acquisition of tangible assets | (229,528) | (415,895) |
| Proceeds from sale of tangible assets | - | - |
| Net cash flows from investing activities | <u>(229,528)</u> | <u>(415,895)</u> |
| Cash flows from financing activities | | |
| Interest paid | (26,368) | (25,533) |
| Repayment of bank borrowing | (117,942) | (117,942) |
| Repayment of other borrowing | - | - |
| Net cash flows from financing activities | <u>(144,310)</u> | <u>(143,475)</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>(828,024)</u> | <u>1,266,124</u> |
| Cash and cash equivalents at 1 April | <u>2,439,463</u> | <u>1,173,339</u> |
| Cash and cash equivalents at 31 March | <u>1,611,439</u> | <u>2,439,463</u> |

Notes to the financial statements

Year Ended 31 March 2021

1. General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Wear House
Countess Wear
Exeter
EX2 7AE

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting and statement of compliance

The company's financial statements have been prepared in accordance with FRS 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland.

There are no material departures from FRS 102.

These financial statements have been prepared using the Historical Cost Convention.

The functional currency of The Exeter Golf and Country Club Limited is considered to be pounds sterling because that is the currency of the economic environment in which the company operates.

Going concern

The company has been impacted by the Covid 19 pandemic and the wider implications for the UK economy are as yet unknown. The directors are continually monitoring the situation and impact on the financial position of the club. The directors are satisfied, based on information to date, that the company is able to operate within available resources for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of preparation.

Key sources of estimation uncertainty

The directors have considered the judgements and estimation uncertainties included in these financial statements and the accounting policies applied and concluded that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

Tangible fixed assets – depreciation. The carrying amount of tangible fixed assets is £6,611,948 (2020: £6,765,669).

Club account – premises costs
Year Ended 31 March 2021

2. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts and VAT.

Where subscription income is received in advance, this is deferred on the balance sheet within creditors.

Government grants

During the year, the company recognised Coronavirus Job Retention Scheme ("CJRS") grant income from the government designed to mitigate the impact of Covid 19. The company has accounted for such grants under the accruals model as required by FRS 102. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

The company has also directly benefited from other forms of government assistance being the business rates relief scheme.

Deferred tax

Deferred tax is recognised on all timing differences at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the profit and loss account. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or valuation of each asset evenly over its expected useful life, as follows:

| | | | |
|------------------------------|---|-----------|---------------|
| Freehold property | - | 2% - 5% | straight line |
| Sports and leisure equipment | - | 10% - 33% | straight line |
| Motor vehicles | - | 25% | straight line |
| Sundry implements | - | 8% - 25% | straight line |
| Fixtures and fittings | - | 5% - 15% | straight line |
| Spa equipment | - | 10% - 25% | straight line |

An amount equal to the excess of the annual depreciation charge on previously revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Club account – premises costs
Year Ended 31 March 2021

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Accounting policies (continued)

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Long term loan creditors

Basic financial assets and liabilities

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term loan creditors

Long term loan creditors are initially recorded at transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Certain loans constitute a financing transaction because they are at a below market rate of interest. Where the impact is material, such loans are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. As the discount unwinds it is charged against profit.

Members' loans

The members' loans of £78,129 (2020: £78,224) are interest free and are repayable either on death, on permanently leaving the district, or on attaining the age of 65. The interest free arrangement on these debt instruments would normally require a discounting adjustment under FRS 102; however, the company considers that any discounting adjustment would be immaterial to the accounts.

Financial liabilities and equity instruments

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

The Exeter Golf and Country Club Limited

Club account – premises costs

Year Ended 31 March 2021

3. Turnover

Turnover, which is stated net of value added tax, represents income from subscriptions and services supplied by the company in the Exeter area and is attributable to continuing activities.

An analysis of turnover by activity is given below:

| | 2021 £ | 2020 £ |
|---------|------------------|------------------|
| Club | 1,095,036 | 3,339,247 |
| Golf | 238,984 | 502,436 |
| Rackets | 88,044 | 166,087 |
| Fitness | 47,385 | 238,611 |
| Spa | 52,826 | 179,850 |
| | <u>1,522,275</u> | <u>4,426,231</u> |

4. Operating costs

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Change in stocks of goods for resale | (9,052) | 987 |
| Raw materials and consumables | 106,649 | 448,100 |
| Other External Charges | 855,166 | 1,413,866 |
| Staff costs (see note 7) | 1,908,689 | 2,175,831 |
| Depreciation and other amounts written off tangible fixed assets | 383,249 | 370,886 |
| Operating lease rentals | 4,012 | 4,012 |
| Profit on disposal of fixed assets | - | - |
| | <u>3,248,713</u> | <u>4,413,682</u> |

5. Other operating income

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

| | 2021 £ | 2020 £ |
|-------------------|----------------|-----------|
| Government grants | 619,589 | - |
| | <u>619,589</u> | <u>-</u> |

6. Operating profit

This is stated after charging:

| | 2021 £ | 2020 £ |
|---|---------------|--------------|
| Auditors' remuneration - audit services | 11,650 | 8,000 |
| | <u>11,650</u> | <u>8,000</u> |

None of the Directors were members of the pension scheme or received remuneration from the company during the years ended 31 March 2021 and 31 March 2020.

The Exeter Golf and Country Club Limited

Club account – premises costs

Year Ended 31 March 2021

7. Staff costs

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,731,754 | 1,982,669 |
| Social security costs | 125,429 | 140,655 |
| Other pension costs | 51,506 | 52,507 |
| | <u>1,908,689</u> | <u>2,175,831</u> |

The monthly average number of employees during the year was as follows:

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| Managerial and administrative | 12 | 14 |
| Cleaning and maintenance | 15 | 16 |
| Bar and catering | 41 | 51 |
| Golf | 11 | 11 |
| Fitness centre and Lifeguards | 20 | 21 |
| Rackets | 2 | 2 |
| Spa | 5 | 7 |
| | <u>106</u> | <u>122</u> |

8. Interest payable and similar charges

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Bank interest payable | 9,370 | 142 |
| Bank loan not wholly payable within 5 years | 16,998 | 25,391 |
| | <u>26,368</u> | <u>25,533</u> |

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

| | 2021 | 2020 |
|----------------------|---------------|---------------|
| | £ | £ |
| <i>Current tax:</i> | | |
| UK corporation tax | - | - |
| <i>Deferred tax:</i> | | |
| Deferred tax charge | 23,000 | 61,000 |
| Tax expense | <u>23,000</u> | <u>61,000</u> |

Club account – premises costs
Year Ended 31 March 2021

9. Tax (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

| | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Profit on ordinary activities before taxation | (1,133,217) | (12,984) |
| Profit on ordinary activities by rate of tax | (215,311) | (2,467) |
| <i>Effects of:</i> | | |
| Fixed asset timing differences | 14,970 | - |
| Non-taxable income/non allowable costs | 223,668 | 48,106 |
| Chargeable gains/(losses) | - | - |
| Adjustment to deferred tax in respect of changes in tax rates | - | 15,058 |
| Other differences | (327) | 303 |
| Total tax charge (note 9(a)) | 23,000 | 61,000 |

Deferred tax

Deferred tax assets and liabilities

| 2021 | Liability |
|------------------------|------------------|
| | £ |
| Capital gains/(losses) | 704,000 |
| Total deferred tax | 704,000 |
| 2020 | Liability |
| | £ |
| Capital gains/(losses) | 681,000 |
| Total deferred tax | 681,000 |

The Exeter Golf and Country Club Limited

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Year Ended 31 March 2021

10. Tangible fixed assets

| | <i>Freehold property</i> | <i>Sports & leisure equipment, fixtures & fittings</i> | <i>Total</i> |
|-------------------------|------------------------------|--|-------------------|
| | £ | £ | £ |
| <i>Cost:</i> | | | |
| At 1 April 2020 | 6,176,555 | 5,841,120 | 12,017,675 |
| Additions | - | 229,528 | 229,528 |
| Disposals | - | - | - |
| At 31 March 2021 | 6,176,555 | 6,070,648 | 12,247,203 |
| <i>Depreciation:</i> | | | |
| At 1 April 2020 | 1,029,159 | 4,222,847 | 5,252,006 |
| Charge for the year | 78,789 | 304,460 | 383,249 |
| Disposals | - | - | - |
| At 31 March 2021 | 1,107,948 | 4,527,307 | 5,635,255 |
| <i>Net book value</i> | | | |
| At 31 March 2021 | 5,068,607 | 1,543,341 | 6,611,948 |
| At 1 April 2020 | 5,147,396 | 1,618,273 | 6,765,669 |

11. Stocks

| | 2021 | 2020 |
|------------------|-------------|-------------|
| | £ | £ |
| Goods for resale | 30,517 | 39,569 |

Stocks consist of food, liquor, consumables, spa products and sports equipment. The replacement cost of stocks is not considered to exceed the balance sheet value by a material amount.

12. Debtors

| | 2021 | 2020 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 297 | 2,930 |
| Prepayments and accrued income | 372,065 | 235,408 |
| Other debtors | 207,911 | 165,737 |
| | 580,273 | 404,075 |

The Exeter Golf and Country Club Limited

Club account – premises costs

Year Ended 31 March 2021

13. Cash and cash equivalents

| | 2021 | 2020 |
|--------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Cash at bank and in hand | 1,987,980 | 2,439,463 |
| | <u> </u> | <u> </u> |

14. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---|-----------------------------|-----------------------------|
| | £ | £ |
| Current instalments due on bank loans (note 16) | 117,942 | 117,942 |
| Bank overdraft | 376,541 | - |
| Trade creditors | 63,172 | 123,762 |
| Other taxation and social security | 35,691 | 78,326 |
| Other creditors | 236,403 | 119,767 |
| Accruals and deferred income | 1,331,233 | 1,038,710 |
| | <u> </u> | <u> </u> |
| | <u>2,160,982</u> | <u>1,478,507</u> |

15. Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Current members' loans | 5,088 | 5,088 |
| Former members' loans | 73,041 | 73,136 |
| Bank loans | 589,707 | 707,648 |
| Deferred income | 130,720 | - |
| | <u> </u> | <u> </u> |
| | <u>798,556</u> | <u>785,872</u> |

The bank loan is secured on the freehold property of the company and carries interest at the rate of 2.1% over bank base rate.

The members' loans are unsecured and interest free and are repayable either on death, on permanently leaving the district, or on attaining the age of 65.

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16. Loans

The bank loans are due for repayment as follows:

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| <i>Amounts repayable:</i> | | |
| In one year or less or on demand (note 14) | 117,942 | 117,942 |
| In more than one year but not more than two years | 117,942 | 117,942 |
| In more than two years but not more than five years | 353,826 | 353,826 |
| | <u>589,710</u> | <u>589,710</u> |
| In more than five years | 117,939 | 235,880 |
| | <u>707,649</u> | <u>825,590</u> |

17. Pension commitments

The company operates a defined contribution scheme for its employees. The assets are held separately from those of the company in an independently administered scheme.

The unpaid contributions outstanding at the year end are £7,917 (2020: £8,852).

18. Provisions for liabilities

| | Deferred | |
|------------------------|-----------------|----------------|
| | Tax | Total |
| At 1 April 2020 | 681,000 | 681,000 |
| Deferred tax provision | 23,000 | 23,000 |
| At 31 March 2021 | <u>704,000</u> | <u>704,000</u> |

19. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

20. Share capital

| | 2021 | | 2020 | |
|---|------------------|------------------|------------------|------------------|
| | No. | £ | No. | £ |
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £1 each | 1,140,090 | 1,140,090 | 1,140,490 | 1,140,490 |
| | <u>1,140,090</u> | <u>1,140,090</u> | <u>1,140,490</u> | <u>1,140,490</u> |

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Year Ended 31 March 2021

21. Cash flow - analysis of changes in net debt

| | <i>At</i> <i>31 March</i> <i>2020</i> | <i>Cash flows</i> | <i>Reclassifications</i> | <i>At</i> <i>31 March</i> <i>2021</i> |
|---------------------------|---|-------------------|--------------------------|---|
| | £ | £ | £ | £ |
| Cash in hand | 2,439,463 | (451,483) | - | 1,987,980 |
| Bank overdraft | - | (376,541) | - | (376,541) |
| Cash and cash equivalents | 2,439,463 | (828,024) | - | 1,611,439 |
| Debt due within one year | (117,942) | 117,942 | (117,942) | (117,942) |
| Debt due after one year | (785,872) | 94 | 117,942 | (667,836) |
| Deferred income | (976,673) | (492,339) | - | (1,469,012) |
| | 558,976 | (1,202,327) | - | (643,351) |

22. Operating lease commitments

Operating leases held as lessee

As at 31 March 2021 the company had total minimum commitments under non-cancellable operating leases as follows:

| | <i>Other</i> <i>2021</i> | <i>Other</i> <i>2020</i> |
|----------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Within one year | 669 | 4,012 |
| In two to five years | - | 669 |
| | 669 | 4,681 |

Operating leases held as lessor

As at 31 March 2021 the company had total minimum lease payments receivable under non-cancellable operating leases as follows:

| | <i>Other</i> <i>2021</i> | <i>Other</i> <i>2020</i> |
|----------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Within one year | 28,457 | 28,457 |
| In two to five years | 84,847 | 105,304 |
| Over five years | 20,000 | 28,000 |
| | 133,304 | 161,761 |

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Rental income of £25,733 (2020: £27,024) was received in the year.

23. Net asset value of shares

The net asset value of shares is calculated by dividing shareholders' funds by the number of shares in existence. At 31 March 2021 the net asset value was £4.88 per share (2020: £5.88).

24. Contingent asset

In the year to 31 March 2021, the company claimed on its Business Interruption Insurance for lost profits during the COVID-19 lockdowns.

In June 2021, the insurers completed their assessment, and an amount of £100k was paid to the company.

At the year end this outcome was probable, but not virtually certain. On this basis we consider it a non-adjusting post balance sheet event, so we have disclosed it here, but the income is not included in the figures for 2020-21.