

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

TUESDAY



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THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
COMPANY INFORMATION

Directors	P G Blacker C M Parker
Secretary	G D Cresswell
Company number	03983209
Registered office	20 Berkeley Square London W1J 6LH
Auditors	Littlestone Martin Glenton 73 Wimpole Street London W1G 8AZ
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
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THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company continued to be that of a golf and country club

In November 2008 the company commenced a redevelopment of its clubhouse and facilities which reopened in June 2009

Directors

The following directors have held office since 1 January 2010

P G Blacker
C M Parker

Auditors

The auditors, Littlestone Martin Glenton, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
DIRECTORS' REPORT (CONTINUED)

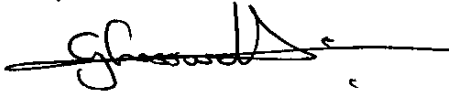
FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the board



G D Cresswell

Secretary

21 June 2011

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE CRANLEIGH GOLF & LEISURE CLUB LIMITED

We have audited the financial statements of The Cranleigh Golf & Leisure Club Limited for the year ended 31 December 2010 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. At 31 December 2010, the company's current liabilities exceed its current assets by approximately £0.5 million and the net current liabilities of the group of which the company is part amounted to approximately £2.3 million. These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of material uncertainties which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE CRANLEIGH GOLF & LEISURE CLUB LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Derek Humphrey BA ACA (Senior Statutory Auditor)
for and on behalf of Littlestone Martin Glenton

21 June 2011

Chartered Accountants
Statutory Auditor

73 Wimpole Street
London
W1G 8AZ

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009
	Notes	£	£
Turnover		1,765,049	1,133,251
Cost of sales		(938,275)	(786,702)
Gross profit		826,774	346,549
Administrative expenses		(908,628)	(375,510)
Operating loss	2	(81,854)	(28,961)
Interest payable and similar charges		(16,974)	(8,603)
Loss on ordinary activities before taxation		(98,828)	(37,564)
Tax on loss on ordinary activities	3	-	-
Loss for the year	10	(98,828)	(37,564)

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Loss for the financial year		(98,828)	(37,564)
Unrealised (deficit)/surplus on revaluation of properties		(431,772)	318,315
Total recognised gains and losses relating to the year		<u>(530,600)</u>	<u>280,751</u>

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	4	6,100,000		6,550,000	
Current assets					
Stocks		18,126		21,938	
Debtors	5	57,873		40,852	
Cash at bank and in hand		826		9,340	
		<u>76,825</u>		<u>72,130</u>	
Creditors amounts falling due within one year	6	<u>(555,962)</u>		<u>(441,918)</u>	
Net current liabilities			<u>(479,137)</u>		<u>(369,788)</u>
Total assets less current liabilities		5,620,863		6,180,212	
Creditors amounts falling due after more than one year	7	<u>(4,196,230)</u>		<u>(4,224,979)</u>	
		<u>1,424,633</u>		<u>1,955,233</u>	
Capital and reserves					
Called up share capital	9	3,350,002		3,350,002	
Revaluation reserve	10	(113,457)		318,315	
Profit and loss account	10	<u>(1,811,912)</u>		<u>(1,713,084)</u>	
Shareholders' funds		<u>1,424,633</u>		<u>1,955,233</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 21 June 2011



P G Blacker
Director



C M Parker
Director

Company Registration No 03983209

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

The group to which the company belongs has net current liabilities at the balance sheet date of approximately £2.3 million and net liabilities of approximately £3.7 million. The company and the group meet their day to day working capital requirements partly from loans provided by the group's bankers (in respect of which the company has provided security) and partly from loans provided by an associated company. The loans provided by the associated company are subordinated to the bank debt provided to the group and therefore this funding cannot be withdrawn.

The group directors have agreed in principle revised terms with the group's bankers in respect of its bank facilities, which is dependent upon an injection of capital into the group by the principal shareholder, and an immediate reduction in the group's bank debt by £1.5 million.

The current economic environment continues to be difficult and the company and group directors consider that the outlook will continue to present significant challenges in terms of sales volume and pricing as well as costs. Whilst these circumstances create material uncertainties over future trading and cash flows the directors believe that the company and group forecasts are achievable and that future trading will generate sufficient positive cash flows to meet its obligations under the proposed revised terms of the group bank facilities as stated above.

After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company will continue to have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents the total amounts receivable by the company derived from its ordinary activities for goods and services net of VAT and trade discounts.

Membership income is accounted for on a time basis. Such income and deposits received relating to future accounting periods is treated as a creditor and recorded as turnover in the period to which it relates.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Nil
Plant, fixtures and equipment	3 to 5 years straight line

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

It is the company's policy to maintain its freehold buildings in a continual state of sound repair and to make improvements thereto from time to time. The directors review the valuation of the buildings annually for impairment in their value and as they consider that the residual value at the end of their useful economic life will not be less than the present carrying value, no depreciation is chargeable.

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost (first-in first-out) and net realisable value.

1.7 Pensions

The company contributes to money purchase pension schemes. Such contributions are held in trustee administered funds independently of the company's finances. The pension costs charged in the profit and loss account represent the contributions payable by the company during the period.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2 Operating loss

	2010	2009
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	78,218	72,730
Auditors' remuneration	5,000	5,000
	<u>78,218</u>	<u>72,730</u>

3 Taxation

The company has estimated losses of £ 2,588,407 (2009 - £ 1,572,819) available for carry forward against future trading profits.

No charge to corporation tax arises for 2009 or 2010.

No provision has been made for the deferred tax on gains recognised on revaluing land and buildings. Such tax would become payable only if the land and buildings were sold at their carrying value without it being possible to claim rollover relief. The estimated total amount unprovided for at 31 December 2010 is £nil (2009 £24,000). At present, it is not envisaged that any such tax will become payable in the foreseeable future.

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2010	6,348,511	572,046	6,920,557
Additions	12,949	47,041	59,990
Revaluation	(431,772)	-	(431,772)
At 31 December 2010	5,929,688	619,087	6,548,775
Depreciation			
At 1 January 2010	-	370,557	370,557
Charge for the year	-	78,218	78,218
At 31 December 2010	-	448,775	448,775
Net book value			
At 31 December 2010	5,929,688	170,312	6,100,000
At 31 December 2009	6,348,511	201,489	6,550,000

The tangible fixed assets were professionally valued as at 8 September 2010 at £6,100,000. The valuation was carried out by Savills, an independent firm of Chartered Surveyors, on the basis of existing use value as a fully-equipped operational entity having regard to trading potential in line with Financial Reporting Standard Number 15. In the opinion of the directors, there has been no diminution in value of the golf club since September 2010 and therefore as at 31 December 2010 they have continued to value the tangible assets on the basis of the professional valuation provided by Savills.

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

4 Tangible fixed assets **(continued)**

Comparable historical cost for the tangible fixed assets included at valuation

	£
Cost	
At 1 January 2010	6,602,242
Additions	59,990
	<u>6,662,232</u>
At 31 December 2010	<u>6,662,232</u>
Depreciation based on cost	
At 1 January 2010	370,557
Charge for the year	78,218
	<u>448,775</u>
At 31 December 2010	<u>448,775</u>
Net book value	
At 31 December 2010	<u>6,213,457</u>
At 31 December 2009	<u>6,231,685</u>

The net book value of other tangible fixed assets includes £91,555 (2009 - £116,197) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £48,514 (2009 - £41,362) for the year.

5 Debtors	2010	2009
	£	£
Amounts owed by group undertakings	12,449	376
Other debtors	45,424	40,476
	<u>57,873</u>	<u>40,852</u>

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6 Creditors amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts (secured)	3,282	-
Net obligations under finance leases	32,033	43,213
Trade creditors	157,082	151,883
Amounts owed to group undertakings	119,463	79,128
Taxes and social security costs	96,265	55,823
Other creditors	126,542	73,556
Accruals and deferred income	21,295	38,315
	<u>555,962</u>	<u>441,918</u>

7 Creditors amounts falling due after more than one year	2010	2009
	£	£
Net obligations under finance leases	64,769	65,997
Other creditors	177,982	177,982
Amounts owed to group undertakings	3,953,479	3,981,000
	<u>4,196,230</u>	<u>4,224,979</u>

8 Pension costs

Defined contribution

The company contributes to defined contribution pension schemes. The assets of the schemes to which contributions are made are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

	2010	2009
	£	£
Contributions payable by the company for the year	<u>1,196</u>	<u>2,643</u>

9 Share capital	2010	2009
	£	£
Allotted, called up and fully paid		
3,350,002 Ordinary shares of £1 each	<u>3,350,002</u>	<u>3,350,002</u>

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

10 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2010	318,315	(1,713,084)
Loss for the year	-	(98,828)
Revaluation during the year	(431,772)	-
	<u>(113,457)</u>	<u>(1,811,912)</u>
Balance at 31 December 2010	<u>(113,457)</u>	<u>(1,811,912)</u>

The revaluation loss of £113,457 below historical cost is regarded as temporary, reflecting a general fall in prices. The directors consider that the recoverable amount of the tangible assets is greater than its revalued amount.

11 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	2010	2009
	£	£
Operating leases which expire		
Between two and five years	<u>1,688</u>	<u>1,688</u>

12 Control

The company's immediate and ultimate parent company is British Ensign Golf Limited, a company registered in England and Wales.

British Ensign Golf Limited prepares group financial statements and copies can be obtained from Companies House.

The company's ultimate controlling party is Mr P G Blacker.

THE CRANLEIGH GOLF & LEISURE CLUB LIMITED
TRADING AS CRANLEIGH GOLF & COUNTRY CLUB
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

13 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group

The company has given a guarantee and provided security in respect of bank loans and overdrafts owed by other group companies. At 31 December 2010 these bank loans amounted to £13,285,148 (2009 £13,715,850)

Included in other creditors due after more than one year is an amount of £177,982 (2009 £177,982) due to British Ensign Investments Limited, a company registered in England and Wales in which Mr P G Blacker has a material interest