

Company Registration No 3983209 (England and Wales)

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

COMPANY INFORMATION

Directors	J P Davies P Bridgland (Appointed 18 July 2007)
Secretary	J P Davies
Company number	3983209
Registered office	24 Chiswell Street London EC1Y 4YX
Auditors	FW Stephens 24 Chiswell Street London EC1Y 4YX
Bankers	Barclays Bank plc 50 Pall Mall London SW1A 1QA
Solicitors	Black Graf & Co 14/15 College Crescent London NW3 5LL

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

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THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2007

The directors present their report and financial statements for the year ended 31 July 2007

Principal activities

The principal activity of the company is operating a Golf and Leisure Club

Directors

The following directors have held office since 1 August 2006

J P Davies	
P Bridgland	(Appointed 18 July 2007)
A M Davies	(Deceased 3 April 2007)

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary Shares of £1 each	
	31 July 2007	1 August 2006
J P Davies	3,290,002	140,000
P Bridgland	60,000	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that FW Stephens be reappointed as auditors of the company will be put to the Annual General Meeting

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2007

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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,
- 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 proper accounting records that 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 1985. 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



21/9/2007

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

We have audited the financial statements of The Cranleigh Golf and Leisure Club Limited for the year ended 31 July 2007 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 12 to the financial statements.

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

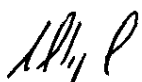
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

Opinion

In our opinion

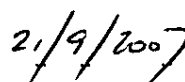
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



FW Stephens

Chartered Accountants

Registered Auditor



24 Chiswell Street
London
EC1Y 4YX

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2007

	Notes	2007 £	2006 £
Turnover		1,116,082	1,051,980
Cost of sales		(798,138)	(730,564)
Gross profit		317,944	321,416
Administrative expenses		(304,437)	(317,132)
Operating profit	2	13,507	4,284
Interest payable and similar charges		(31,792)	(27,280)
Loss on ordinary activities before taxation		(18,285)	(22,996)
Tax on loss on ordinary activities	3	-	-
Loss for the year	10	(18,285)	(22,996)

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

BALANCE SHEET

AS AT 31 JULY 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	4	3,377,016		3,310,683	
Current assets					
Stocks		51,202		46,751	
Debtors	5	81,189		63,831	
Cash at bank and in hand		1,840		2,600	
		<u>134,231</u>		<u>113,182</u>	
Creditors' amounts falling due within one year	6	<u>(510,867)</u>		<u>(448,752)</u>	
Net current liabilities			<u>(376,636)</u>		<u>(335,570)</u>
Total assets less current liabilities			3,000,380		2,975,113
Creditors' amounts falling due after more than one year	7		<u>(872,163)</u>		<u>(828,611)</u>
			<u>2,128,217</u>		<u>2,146,502</u>
Capital and reserves					
Called up share capital	9	3,350,002		3,350,002	
Profit and loss account	10	(1,221,785)		(1,203,500)	
Shareholders' funds			<u>2,128,217</u>		<u>2,146,502</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 21/9/2007

Perella Brady U.

Director

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company meets its day to day working capital requirements through an overdraft facility of £250,000 repayable on demand and an interest free loan of £585,000 provided by an associated company. The associated company has indicated that it will continue to support the company for at least the next 12 months.

The directors consider that the company will continue to operate within the bank facility currently agreed and the loan provided by the associated company. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers or the support of the associated company.

1.2 Turnover

Turnover represents amounts receivable for club membership, goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

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

Land and buildings Freehold	See below
Plant and machinery	Depreciated over 5 years
Computer Equipment	Depreciated over 3 years
Motor vehicles	Depreciated over 4 years

Depreciation is not provided on freehold land. Freehold buildings are maintained out of revenue to a standard which ensures their estimated residual value, based on the prices at the time of acquisition or improvement, is equal or greater than the cost in the balance sheet. In the opinion of the directors depreciation is deemed immaterial and therefore is not charged.

1.4 Leasing and hire purchase commitments

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.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

1 Accounting policies (continued)

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

2 Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	64,277	55,045
Auditors' remuneration	8,372	5,667

3 Taxation

The company has estimated losses of £1 35m available for carry forward against future trading profits. Were the business profitable then losses of £1 35m would give rise to a potential deferred tax asset of the order of £270,000 based on a corporation tax rate of 20%.

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2006	3,232,093	755,754	3,987,847
Additions	2,585	128,025	130,610
At 31 July 2007	3,234,678	883,779	4,118,457
Depreciation			
At 1 August 2006	-	677,164	677,164
Charge for the year	-	64,277	64,277
At 31 July 2007	-	741,441	741,441
Net book value			
At 31 July 2007	3,234,678	142,338	3,377,016
At 31 July 2006	3,232,093	78,590	3,310,683

The net book value of other tangible fixed assets includes £100,768 (2006- £30,867) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £31,999 (2006- £11,619) for the year.

Included in the cost of land and buildings is an amount of £900,000 attributable to the freehold land.

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

5 Debtors	2007 £	2006 £
Trade debtors	32,181	15,326
Other debtors	49,008	48,505
	<u>81,189</u>	<u>63,831</u>

6 Creditors, amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	105,126	135,415
Net obligations under hire purchase contracts	36,847	13,983
Trade creditors	116,810	73,551
Taxation and social security	46,980	48,113
Other creditors	205,104	177,690
	<u>510,867</u>	<u>448,752</u>

The bank loans and overdrafts are secured (see note 7 for details)

7 Creditors, amounts falling due after more than one year	2007 £	2006 £
Bank loans	230,000	230,000
Net obligations under hire purchase contracts	57,163	13,611
Other creditors	585,000	585,000
	<u>872,163</u>	<u>828,611</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	230,000	230,000
Wholly repayable within five years	585,000	585,000
	<u>815,000</u>	<u>815,000</u>

The bank loans and overdraft are secured by a fixed charge over the land and buildings and debtors and by a floating charge over the undertaking and assets of the company and by a debenture dated 7 August 2000 over all monies now due or hereafter become due or from time to time accruing due from the company to the bank upon any account and in any manner whatsoever

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

8 Pension costs

The scheme that is in place is a defined contribution scheme. The cost for the year totalled £6,039 (2006 £4,935) with an amount of £1,546 (2006 £1,166) shown in other creditors as being payable as at the year end.

9 Share capital	2007 £	2006 £
Authorised		
4,000,000 Ordinary Shares of £1 each	4,000,000	4,000,000
Allotted, called up and fully paid		
3,350,002 Ordinary Shares of £1 each	3,350,002	3,350,002

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2006	(1,203,500)
Loss for the year	(18,285)
Balance at 31 July 2007	(1,221,785)

11 Financial commitments

At 31 July 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2008:

	2007 £	2006 £
Operating leases which expire Between two and five years	1,495	1,495

12 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements and provide tax advice.

THE CRANLEIGH GOLF AND LEISURE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

13 Control

The ultimate controlling party is J P Davies

14 Related party transactions

At the year end £585,000 (2006 £585,000) was owed to Haverby Limited, a company in which Mrs J P Davies and Mrs P Bridgland are directors and shareholders. The loan is interest free. Haverby Limited has indicated that it will continue to support the company for at least 12 months from the date of the signing of the accounts.