

Wells (Somerset) Golf Club Limited
Financial Statements
31 December 2019



WEBB & CO LTD

Accountants and business advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

Wells (Somerset) Golf Club Limited

Financial Statements

Year ended 31 December 2019

Contents	Page
Directors' report	1
Independent auditor's report to the members	3
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

Wells (Somerset) Golf Club Limited

Directors' Report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

G Davis	
W Levell	(Appointed 19 December 2019)
B Jones	(Appointed 19 December 2019)
E Loxton	(Resigned 19 December 2019)
M Terry	(Resigned 19 December 2019)
S A Bocquet	(Resigned 19 December 2019)
M J Magrath	(Resigned 19 December 2019)

Directors' responsibilities statement

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 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 judgments 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

Wells (Somerset) Golf Club Limited

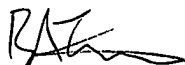
Directors' Report *(continued)*

Year ended 31 December 2019

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 01/03/2020 and signed on behalf of the board by:



B Jones
Director

Registered office:
Club House
East Horrington Road
Wells
Somerset
BA5 3DS

Wells (Somerset) Golf Club Limited

Independent Auditor's Report to the Members of Wells (Somerset) Golf Club Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Wells (Somerset) Golf Club Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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 December 2019 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Wells (Somerset) Golf Club Limited

Independent Auditor's Report to the Members of Wells (Somerset) Golf Club Limited *(continued)*

Year ended 31 December 2019

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Wells (Somerset) Golf Club Limited

Independent Auditor's Report to the Members of Wells (Somerset) Golf Club Limited *(continued)*

Year ended 31 December 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Wells (Somerset) Golf Club Limited

Independent Auditor's Report to the Members of Wells (Somerset) Golf Club Limited *(continued)*

Year ended 31 December 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Barry Davidson FCA FCCA (Senior Statutory Auditor)

For and on behalf of
Webb & Co Ltd
Accountants and business advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

Wells (Somerset) Golf Club Limited

Statement of Comprehensive Income

Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover		226,452	223,520
Cost of sales		<u>94,560</u>	<u>88,326</u>
Gross profit		131,892	135,194
Administrative expenses		502,598	443,801
Other operating income		<u>328,920</u>	<u>304,267</u>
Operating loss		(41,786)	(4,340)
Interest payable and similar expenses		<u>2,740</u>	<u>2,627</u>
Loss before taxation	5	(44,526)	(6,967)
Tax on loss		<u>-</u>	<u>-</u>
Loss for the financial year		<u>(44,526)</u>	<u>(6,967)</u>
Revaluation of tangible assets		143,457	-
Total comprehensive income for the year		<u>98,931</u>	<u>(6,967)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Wells (Somerset) Golf Club Limited

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	1,266,172	1,138,948
Current assets			
Stocks		19,819	9,117
Debtors	7	8,478	9,896
Cash at bank and in hand		634	424
		<u>28,931</u>	<u>19,437</u>
Creditors: amounts falling due within one year	8	<u>272,822</u>	<u>217,856</u>
Net current liabilities		<u>243,891</u>	<u>198,419</u>
Total assets less current liabilities		<u>1,022,281</u>	<u>940,529</u>
Creditors: amounts falling due after more than one year	9	<u>68,373</u>	<u>85,552</u>
Net assets		<u><u>953,908</u></u>	<u><u>854,977</u></u>
Capital and reserves			
Revaluation reserve		345,931	202,474
Profit and loss account		<u>607,977</u>	<u>652,503</u>
Members funds		<u><u>953,908</u></u>	<u><u>854,977</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 01/03/2020, and are signed on behalf of the board by:



B Jones
Director

Company registration number: 00131626

The notes on pages 10 to 15 form part of these financial statements.

Wells (Somerset) Golf Club Limited

Statement of Changes in Equity

Year ended 31 December 2019

	Note	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2018		202,474	659,470	861,944
Loss for the year			(6,967)	(6,967)
Total comprehensive income for the year		—	(6,967)	(6,967)
At 31 December 2018		202,474	652,503	854,977
Loss for the year			(44,526)	(44,526)
Other comprehensive income for the year:				
Revaluation of tangible assets	6	143,457	—	143,457
Total comprehensive income for the year		143,457	(44,526)	98,931
At 31 December 2019		<u>345,931</u>	<u>607,977</u>	<u>953,908</u>

The notes on pages 10 to 15 form part of these financial statements.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

Wells (Somerset) Golf Club Limited is a company limited by guarantee incorporated in England, United Kingdom. The registered office of the company is Club House, Blackheath Lane, East Horrington, Wells, Somerset, BA5 3DS.

The nature of the company's operations and principal activities is that of providing golf and social activities at the club.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest £.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision where the revision affects both current and future periods.

Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of assets

The tangible fixed assets are periodically reviewed for impairment by the directors based on their knowledge and judgements.

Key Sources of Estimation Uncertainty:

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows;

Depreciation

The directors use their knowledge of the business and the industry to estimate the useful life and residual value of tangible assets in order to arrive at applicable depreciation rates. In accordance with section 17 of FRS 102, the directors review and update these estimates if there are indicators that current estimates should change.

It must be noted that there is inherent uncertainty within these estimates with factors such as unexpected wear and tear, technological advancement and changes in market prices which may result in future changes to the appropriate rate of depreciation.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Revenue recognition

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from golf membership subscriptions is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to months of membership remaining.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Freehold property is carried at fair value in line with external professional valuations or estimates provided by the directors.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line - land is not depreciated
Plant and machinery	-	5%, 10%, 20% and 33.3% straight line
Fixtures and fittings	-	10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2018: 22).

5. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	<u>17,538</u>	<u>19,166</u>

6. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2019	1,152,591	274,812	179,765	1,607,168
Additions	–	1,305	–	1,305
Revaluations	<u>143,457</u>	<u>–</u>	<u>–</u>	<u>143,457</u>
At 31 December 2019	<u>1,296,048</u>	<u>276,117</u>	<u>179,765</u>	<u>1,751,930</u>
Depreciation				
At 1 January 2019	53,397	247,517	167,306	468,220
Charge for the year	<u>7,651</u>	<u>7,868</u>	<u>2,019</u>	<u>17,538</u>
At 31 December 2019	<u>61,048</u>	<u>255,385</u>	<u>169,325</u>	<u>485,758</u>
Carrying amount				
At 31 December 2019	<u>1,235,000</u>	<u>20,732</u>	<u>10,440</u>	<u>1,266,172</u>
At 31 December 2018	<u>1,099,194</u>	<u>27,295</u>	<u>12,459</u>	<u>1,138,948</u>

The land and buildings were valued by N P S Oliver MRICS of Cooper & Tanner LLP on 13 January 2020 at open market value of £1,235,000. The cost of depreciable assets included in land and buildings is £658,429.

Wells (Somerset) Golf Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

7. Debtors

	2019	2018
	£	£
Trade debtors	1,309	2,029
Other debtors	7,169	7,867
	<u>8,478</u>	<u>9,896</u>

8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	147,723	86,746
Trade creditors	20,578	20,057
Social security and other taxes	12,945	8,712
Other creditors	91,576	102,341
	<u>272,822</u>	<u>217,856</u>

The bank loan and overdraft are secured by a First Legal Charge dated 29 August 2007 over freehold property known as Wells Somerset Golf Club Ltd, Blackheath Lane, East Horrington, Wells, Somerset, BA5 3DS.

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattel, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 28 August 2007.

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

	2019	2018
	£	£
Bank loans and overdrafts	35,373	51,952
Debentures	33,000	33,600
	<u>68,373</u>	<u>85,552</u>