Registered number: 00077316

LE TOUQUET SYNDICATE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY INFORMATION

Directors	N Boissonnas A R Stone N Ashdown
Company secretary	Dentons Secretaries Limited
Registered number	00077316
Registered office	1 Fleet Place London EC4M 7WS
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors 124 Finchley Road London NW3 5JS
Solicitors	Dentons UK and Middle East LLP 1 Fleet Place London EC4M 7WS

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report for the year ended 31 December 2019.

Business review

The principal activities of the group are the hotelier, golf and hospitality businesses. The group is also involved in hotel and golf course activities undertaken through a joint venture with another hotel, golf and hospitality business. There have not been any significant changes in the principal activities of the group in the year under review. The directors are not aware, at the date of this report, of any likely changes in the group's activities in the next year.

The group operates through subsidiaries and a branch in mainland Europe.

As shown in group's Consolidated Statement of Income and Retained Earnings on page 8, the group has made a profit for the year. The Consolidated Statement of Financial Position on pages 9 and 10 of the financial statements shows that the group's financial position at the year end remains satisfactory.

Principal risks and uncertainties

Commercial risk

The main commercial risk is uncertainty which is dominant in the whole tourist industry. People book later and later. A terrorist event can occur and affect the whole industry. A significant number of the company's customers are from the United Kingdom and as a result of exchange rate fluctuations between Pounds Sterling and the Euro this may affect bookings. The impact of the Brexit is also a source of uncertainty for the business.

Strategic risk

Our sites are located in good tourist regions in France. There are very few golf projects in the area (the land is scarce and expensive and environmentalists are active) which increase the value of the existing properties.

Operational risk

The golf trade is dependent on weather conditions as storms in the high season may affect revenue. Conversely, excessive summer heat can keep golf players away from golf courses.

Financial risk

Our industry requires large amounts of investment either to acquire facilities or to refurbish or improve them.

Reputational risk

Our hotels and golf clubs have a good reputation.

Financial key performance indicators

Turnover and gross profit margin

Turnover increased by 3.28% (2018: decreased by 4.77%) over the previous year with an increase of 4.79% (2018: 0.97%) in the gross profit margin. It is the intention of the group to strengthen its performance in the industry by monitoring closely its direct costs and identifying and implementing new business strategies to continue to develop further.

This report was approved by the board on 15 December 2020 and signed on its behalf.

N Boissonnas
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Results and dividends

The profit for the year, after taxation, amounted to €13,140,210 (2018 - loss €3,533,262).

The directors are unable to recommend payment of a final dividend.

Directors

The directors who served during the year were:

N Boissonnas
A R Stone
N Ashdown

Future developments

The directors aim to maintain the management policies which have resulted in the group's growth in recent years.

Financial instruments

The group's financial instruments include investments, cash, trade debtors and trade creditors all arising in the normal course of business and loans used as a source of funding. The group is exposed to liquidity and cash flow risk which is actively managed by ensuring sufficient liquidity is available to meet ongoing liabilities and operational requirements.

Details of financial instruments are provided in the notes to the accounts on page 35.

Post balance sheet events

On 30 June 2020, the company waived unconditionally €5,623,090 due from SA La Preservatrice, Genève to recapitalise the balance sheet of that company due to recurring losses.

Subsequent to the reporting date, the coronavirus crisis has created significant uncertainty over the global economy. In particular, restaurants operated by the group have had their activities significiantly curtailed due to government restrictions. Revenue derived has also fallen due to the group's decision to provide a discount in light of the closures. The impact has been mitigated through government support for staff costs. The group's management continues to have faith in its business model. However, it must be acknowledged that there is an unfolding economic crisis due to the COVID-19 virus which may impact the group's profitability due to the impact on the sector in which the group operates and draw your attention to note 2.4. The group's management will endeavour to mitigate these inherent risks where possible.

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This report was approved by the board on 15 December 2020 and signed on its behalf.

N Boissonnas
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LE TOUQUET SYNDICATE LIMITED

Opinion

We have audited the financial statements of Le Touquet Syndicate Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group statement of income and retained earnings, the Group and Company statements of financial position, the Group statement of cash flows 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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 auditors' 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.

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 group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the 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 the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LE TOUQUET SYNDICATE LIMITED (CONTINUED)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Company's shareholders 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 shareholders 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 shareholders for our audit work, for this report, or for the opinions we have formed.

Anthony Pins (senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants & Statutory Auditors

124 Finchley Road
London
NW3 5JS

15 December 2020

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Turnover	4	11,406,580	11,044,157
Cost of sales		(3,388,955)	(3,810,388)
Gross profit		8,017,625	7,233,769
Administrative expenses		(8,750,269)	(9,173,228)
Other operating income		90,546	40,914
Operating loss	5	(642,098)	(1,898,545)
Share of loss of joint ventures		(622,862)	(473,617)
Total operating loss		(1,264,960)	(2,372,162)
Exceptional income	12	15,010,221	-
Interest receivable and similar income		44,279	18,042
Interest payable and expenses	10	(649,330)	(851,665)
Profit/(loss) before tax		13,140,210	(3,205,785)
Tax on profit/(loss)	11	-	(327,477)
Profit/(loss) after tax		13,140,210	(3,533,262)
Retained earnings at the beginning of the year		(11,234,717)	(7,701,455)
		(11,234,717)	(7,701,455)
Profit/(loss) for the year attributable to the owners of the parent		13,140,210	(3,533,262)
Retained earnings at the end of the year		1,905,493	(11,234,717)

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 €		2018 €
Fixed assets					
Intangible assets	13		390,662		148,590
Tangible assets	15		42,381,406		41,573,596
Investments	16		1,096,835		357,500
			43,868,903		42,079,686
Current assets					
Stocks	17	1,385,521		1,364,606	
Debtors: amounts falling due within one year	18	10,385,621		9,713,206	
Bank & cash balances		10,182,595		14,014,731	
		21,953,737		25,092,543	
Creditors: amounts falling due within one year	19	(8,309,186)		(7,875,295)	
Net current assets			13,644,551		17,217,248
Total assets less current liabilities			57,513,454		59,296,934
Creditors: amounts falling due after more than one year	20		(47,418,405)		(62,246,716)
Provisions for liabilities					
Other provisions		(496,858)		(592,237)	
			(496,858)		(592,237)
Net assets/(liabilities)			9,598,191		(3,542,019)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
Capital and reserves			
Called up share capital	24	128,038	128,038
Share premium account		6,896,537	6,896,537
Other reserves		668,123	668,123
Profit and loss account		1,905,493	(11,234,717)
		9,598,191	(3,542,019)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2020.

N Boissonnas
Director

The notes on pages 16 to 38 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 €		2018 €
Fixed assets					
Tangible assets	15		24,545,786		24,184,886
Investments	16		33,167,781		32,142,781
			57,713,567		56,327,667
Current assets					
Stocks	17	177,820		218,337	
Debtors: amounts falling due within one year	18	13,464,861		12,368,494	
Bank & cash balances		969,772		4,025,690	
		14,612,453		16,612,521	
Creditors: amounts falling due within one year	19	(7,716,840)		(3,139,190)	
Net current assets			6,895,613		13,473,331
Total assets less current liabilities			64,609,180		69,800,998
Creditors: amounts falling due after more than one year	20		(47,415,966)		(66,844,277)
Provisions for liabilities					
Other provisions		(100,000)		(100,000)	
			(100,000)		(100,000)
Net assets			17,093,214		2,856,721

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	31 December 2019 €	31 December 2018 €
Capital and reserves			
Called up share capital	24	128,038	128,038
Share premium account		6,896,537	6,896,537
Other reserves		579,881	579,881
Profit and loss account		9,488,758	(4,747,735)
		17,093,214	2,856,721

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2020.

N Boissonnas
Director

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €	2018 €
Cash flows from operating activities		
Profit/(loss) for the financial year	13,140,210	(3,533,262)
Adjustments for:		
Amortisation of intangible assets	15,469	302,795
Depreciation of tangible assets	1,574,470	1,499,681
Profit on disposal of tangible assets	(20,071)	(22,481)
Interest paid	649,330	851,665
Interest received	(44,279)	(18,042)
Taxation charge	-	(327,477)
(Increase)/decrease in stocks	(20,915)	709,900
(Increase)/decrease in debtors	(535,788)	970,610
Increase in amounts owed by joint ventures	(472,227)	(777,749)
Increase in creditors	658,099	350,902
Decrease in provisions	(95,379)	(110,763)
Share of operating loss in joint ventures	622,862	473,617
Corporation tax paid	(327,477)	-
Net cash generated from operating activities	15,144,304	369,396
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,372)	(15,000)
Purchase of tangible fixed assets	(2,638,208)	(2,519,632)
Sale of tangible fixed assets	20,830	22,481
Purchase of listed investments	(1,000,000)	-
Purchase of other investments	(2,050)	(1,440)
Sale of unlisted and other investments	453	-
Purchase of share in joint ventures	(25,000)	-
Interest received	44,279	18,042
Net cash from investing activities	(3,602,068)	(2,495,549)
Cash flows from financing activities		
New secured loans	88,949	1,537,784
Repayment of loans	(416,730)	(467,935)
Interest paid	(91,795)	(87,257)
Loan principal and interest waived	(15,010,221)	-
Net cash used in financing activities	(15,429,797)	982,592
Net (decrease) in cash and cash equivalents	(3,887,561)	(1,143,561)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €	2018 €
Cash and cash equivalents at beginning of year	13,367,684	14,511,245
Cash and cash equivalents at the end of year	9,480,123	13,367,684
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	10,182,595	14,014,731
Bank overdrafts	(702,472)	(647,047)
	9,480,123	13,367,684

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019

	At 1 January 2019 €	Cash flows €	Other non-cash changes €	At 31 December 2019 €
Cash at bank and in hand	14,014,731	(3,832,136)	-	10,182,595
Bank overdrafts	(647,047)	(55,425)	-	(702,472)
Debt due after 1 year	(59,675,818)	388,921	12,439,323	(46,847,574)
Debt due within 1 year	(795,278)	(61,138)	-	(856,416)
	(47,103,412)	(3,559,778)	12,439,323	(38,223,867)

The notes on pages 16 to 38 form part of these financial statements.

1. Statement of compliance

Le Touquet Syndicate Limited ('the company') is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1 Fleet Place, London EC4M 7WS.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 December 2019.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of income and retained earnings includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2. Accounting policies (continued)

2.4 Going concern

The group meets its day to day working capital requirements through the utilisation of its own funds and external financing.

Existing funding facilities, forecasts and projections indicate that the group has adequate resources to continue with some level of activity from a minimal to full levels.

Although the potential effect of the coronavirus can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

After reviewing the group"s forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements, but with the proviso that a material uncertainly exists over the group's future.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents income net of VAT from hotel, catering and leisure activities. It is entirely derived from operations in France.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of income and retained earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance and straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2.5% per annum - reducing balance
	5% per annum - straight line
Plant, machinery and equipment	- 12.5% - 40% per annum reducing balance
	3.33% - 33.33% per annum straight line
Motor vehicles	-
	20% and 25% per annum - straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Accounting policies (continued)

2.9 Valuation of investments

Subsidiary undertakings

Investments in subsidiaries are measured at cost less accumulated impairment. Where recoverable amount of investments are below cost or valuation, an impairment charge is made in the accounts.

Joint venture undertakings

Investments in joint ventures are stated at the company's share of net assets. The company's share of the profits or losses of the joint ventures is included in the Statement of comprehensive income using the equity accounting basis.

Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.13 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

2.14 Creditors

Short term creditors are measured at the transaction price.

2.15 Foreign currency translation

Functional and presentation currency

The group's functional and presentation currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non -monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.17 Taxation

Tax is recognised in the profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty are as follows:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provisioning

When calculating the stock provision, the management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of goods.

Impairment of debtors

The management makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, the management considers factors including the current credit rating of the debtor, the ageing profile and historical experience.

Accruals

The management makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 €	2018 €
Hotel and leisure activities	11,261,382	10,588,491
Sale of land and properties	145,198	455,666
	11,406,580	11,044,157

5. Operating loss

The operating loss is stated after charging:

	2019 €	2018 €
Depreciation of tangible fixed assets	1,574,470	1,499,681
Amortisation of intangible assets, including goodwill	15,469	302,795
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	85,603	76,748
Exchange gain	(352)	(60)
Other operating lease rentals	677,569	450,553
Defined contribution pension cost	234,673	229,895

6. Auditors' remuneration

	2019 €	2018 €
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	85,603	76,748
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of the Group pursuant to legislation	37,500	36,750
Fees payable to subsidiaries' auditors, the member firms of Ernst & Young Global Limited	20,443	13,258
Fees payable to subsidiaries' auditors, Cabinet Kaufmann et Associés	27,660	26,740
	85,603	76,748

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Wages and salaries	4,142,533	3,762,053	907,634	2,204,837
Social security costs	1,033,012	930,228	248,510	508,633
Cost of defined contribution scheme	234,673	229,895	64,920	136,324
	5,410,218	4,922,176	1,221,064	2,849,794

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

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Maintenance	20	22	20	22
Operations and administration	127	113	14	55
	147	135	34	77

8. Directors' remuneration

	2019 €	2018 €
Directors' emoluments	11,548	11,526
	11,548	11,526

9. Key management compensation

Key management are the directors and senior management. The compensation paid or payable to key management for services was €404,288 (2018: €262,474).

10. Interest payable and similar expenses

	2019 €	2018 €
Bank interest payable	78,499	87,257
Other loan interest payable	570,831	751,112
Other interest payable	-	13,296
	649,330	851,665

11. Taxation

	2019 €	2018 €
Foreign tax		
Foreign tax charge for the year	-	327,477
Total current tax	-	327,477

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 €	2018 €
Profit/(loss) on ordinary activities before tax	13,140,210	(3,205,785)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,496,640	(609,099)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,375	1,098,948
Capital allowances for year in excess of depreciation	14,138	51,289
Utilisation of tax losses	(2,714,923)	-
Changes in provisions leading to an increase in the tax charge	(1,925)	19,097
Double taxation relief	(1,449)	-
Other tax adjustments	205,144	(232,758)
Total tax charge for the year	-	327,477

The net deferred taxation asset not recognised in the financial statements for the company and group is as follows:

	2019	2018
	€	€
Capital allowances in excess of depreciation	(211,456)	(198,447)
Other timing differences	1,028,070	2,613,840
Unrelieved foreign tax on dividends received	116,664	113,637
Unrelieved tax losses carried forward	322,291	293,524
	1,255,569	2,822,554

The company and group has a potential deferred tax asset of €1,028,070 (2018: €2,613,840) relating to non-trade loan relationship deficit, which will only be utilised if there are non-trade loan relationship surplus in the future.

The company and group have a potential deferred tax asset of €322,291 (2018: €293,524) relating to trade losses carried forward, which will only be utilised if there are future taxable trading profits.

12. Exceptional items

During the year, Nungesser Inc waived loans outstanding amounting to €5,650,000 and interest outstanding amounting to €1,792,844. Namu Inc waived loans outstanding amounting to €5,650,000 and interest outstanding amounting to €1,917,377.

13. Intangible assets

Group and Company

	Patents and trademarks	Goodwill	Total
	€	€	€
Cost			
At 1 January 2019	28,467	10,131,254	10,159,721
Additions	2,372	-	2,372
Transfers between classes	266,316	-	266,316
At 31 December 2019	297,155	10,131,254	10,428,409
Amortisation			
At 1 January 2019	2,491	10,008,640	10,011,131
Charge for the year on owned assets	14,814	655	15,469
Transfers between classes	11,147	-	11,147
At 31 December 2019	28,452	10,009,295	10,037,747
Net book value			
At 31 December 2019	268,703	121,959	390,662
At 31 December 2018	25,976	122,614	148,590

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of income and retained earnings in these financial statements. The profit after tax of the parent Company for the year was €14,236,493 (2018 - loss €1,439,188).

15. Tangible fixed assets

Group

	Freehold buidlings	Plant, machinery and equipment	Motor vehicles	Total
	€	€	€	€
Cost or valuation				
At 1 January 2019	54,772,144	7,981,449	106,623	62,860,216
Additions	2,173,065	465,143	-	2,638,208
Disposals	(13,516)	(16,482)	-	(29,998)
Transfers between classes	(310,596)	44,280	-	(266,316)
At 31 December 2019	56,621,097	8,474,390	106,623	65,202,110
Depreciation				
At 1 January 2019	14,994,380	6,202,752	89,488	21,286,620
Charge for the year on owned assets	1,044,367	529,663	440	1,574,470
Disposals	(13,516)	(15,723)	-	(29,239)
Transfers between classes	(11,147)	-	-	(11,147)
At 31 December 2019	16,014,084	6,716,692	89,928	22,820,704
Net book value				
At 31 December 2019	40,607,013	1,757,698	16,695	42,381,406
At 31 December 2018	39,777,764	1,778,697	17,135	41,573,596

15. Tangible fixed assets (continued)

Company

	Freehold buildings	Plant, machinery and equipment	Motor vehicles	Total
	€	€	€	€
Cost or valuation				
At 1 January 2019	32,341,140	3,988,251	106,623	36,436,014
Additions	1,176,186	203,451	-	1,379,637
At 31 December 2019	33,517,326	4,191,702	106,623	37,815,651
Depreciation				
At 1 January 2019	9,405,308	2,756,332	89,488	12,251,128
Charge for the year on owned assets	649,563	368,734	440	1,018,737
At 31 December 2019	10,054,871	3,125,066	89,928	13,269,865
Net book value				
At 31 December 2019	23,462,455	1,066,636	16,695	24,545,786
At 31 December 2018	22,935,832	1,231,919	17,135	24,184,886

16. Fixed asset investments

Group

	Listed investments	Unlisted investments	Investment in joint ventures	Total
	€	€	€	€
Cost or valuation				
At 1 January 2019	-	1,440	356,060	357,500
Additions	1,000,000	2,050	25,000	1,027,050
Disposals	-	(453)	-	(453)
Share of profit/(loss)	-	-	(287,262)	(287,262)
At 31 December 2019	1,000,000	3,037	93,798	1,096,835
Net book value				
At 31 December 2019	1,000,000	3,037	93,798	1,096,835
At 31 December 2018	-	1,440	356,060	357,500

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Company

	Investments in subsidiary companies	Listed investments	Total
	€	€	€
Cost or valuation			
At 1 January 2019	38,039,086	-	38,039,086
Additions	25,000	1,000,000	1,025,000
At 31 December 2019	38,064,086	1,000,000	39,064,086
Impairment			
At 1 January 2019	5,896,305	-	5,896,305
At 31 December 2019	5,896,305	-	5,896,305
Net book value			
At 31 December 2019	32,167,781	1,000,000	33,167,781
At 31 December 2018	32,142,781	-	32,142,781

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
St Swithins Syndicate Limited	Ordinary	100 %
Sodimer	Ordinary	100 %
SAS Du Manoir Hotel	Ordinary	100 %
SCI Du Verger	Ordinary	100 %
SAS Du Domaine D'Hardelot	Ordinary	100 %
Golf De Seignosse	Ordinary	100 %
SAS des Golfs D'Hardelot (Held indirectly)	Ordinary	100 %
SARL Restauration des Golfs (Held indirectly)	Ordinary	100 %

Participating interests

Joint ventures

The group owns 50% of the issued ordinary shares of SA La Preservatrice and indirectly SA Omnium Investments which are limited companies registered in Switzerland with an accounting period ending on 30 June. The principal activities of the companies are those of golf course, hotel property and management.

The group owns 50% of the issued ordinary shares of SCCV L'Hermione and SCI Les Pleiades which are limited companies registered in France with an accounting period ending on 31 December. The principal activities of the companies are those of property construction.

The group owns 50% of the issued ordinary shares of Golf D'Amboile a limited company registered in France with an accounting period ending on 31 December. The principal activity of the company is that of golf course management.

17. Stocks

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Land	962,227	959,827	-	-
Finished goods for resale and consumables	423,294	404,779	177,820	218,337
	1,385,521	1,364,606	177,820	218,337

The carrying value of stocks are stated net of impairment losses totalling €735,462 (2018 - €735,462). Impairment losses totalling €nil (2018 - €735,462) were recognised in profit and loss.

18. Debtors

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Trade debtors	598,682	312,089	179,630	64,530
Amounts owed by group undertakings	-	-	6,345,401	6,058,822
Amounts owed by joint ventures and associated undertakings	6,972,761	6,836,134	6,490,136	6,065,136
Other debtors	2,802,886	2,497,869	187,104	146,198
Prepayments and accrued income	10,630	66,452	261,928	33,146
Tax recoverable	662	662	662	662
	10,385,621	9,713,206	13,464,861	12,368,494

19. Creditors: Amounts falling due within one year

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Bank overdrafts	702,472	647,047	656,963	647,047
Bank loans	388,920	379,138	388,920	379,138
Other loans	467,496	416,140	4,600,000	-
Trade creditors	1,125,284	1,091,132	594,667	592,849
Amounts owed to group undertakings	-	-	826,585	525,655
Corporation tax	-	340,773	-	340,773
Other taxation and social security	1,260,590	790,277	306,263	235,019
Other creditors	347,687	220,010	57,031	46,890
Accruals and deferred income	4,016,737	3,990,778	286,411	371,819
	8,309,186	7,875,295	7,716,840	3,139,190

20. Creditors: Amounts falling due after more than one year

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Bank loans	2,381,718	2,770,638	2,381,718	2,770,638
Other loans	44,465,856	56,905,180	44,463,417	61,502,741
Other creditors	570,831	2,570,898	570,831	2,570,898
	47,418,405	62,246,716	47,415,966	66,844,277

21. Loans

Analysis of the maturity of loans is given below:

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Amounts falling due within one year				
Bank loans	388,920	379,138	388,920	379,138
Other loans	467,496	416,140	4,600,000	-
	856,416	795,278	4,988,920	379,138
Amounts falling due 1-2 years				
Bank loans	398,954	388,920	398,954	388,920
Other loans	2,439	2,439	-	4,600,000
	401,393	391,359	398,954	4,988,920
Amounts falling due 2-5 years				
Bank loans	1,259,689	1,228,006	1,259,689	1,228,006
Other loans	-	56,902,741	-	56,902,741
	1,259,689	58,130,747	1,259,689	58,130,747
Amounts falling due after more than 5 years				
Bank loans	723,075	1,153,712	723,075	1,153,712
Other loans	44,463,417	-	44,463,417	-
	45,186,492	1,153,712	45,186,492	1,153,712
	47,703,990	60,471,096	51,834,055	64,652,517

The bank overdrafts and loans are secured by a fixed charge over specific assets and a floating charge over the overall assets of the group.

Loans amounting to €4,600,000, due to group undertakings was advanced by SAS Du Domaine D'Hardelot and is repayable in May 2020. Interest on the loan is calculated at 2% per annum.

Interest is charged on the loans at 1% - 2.55% (2018: 1% - 2.55%) per annum.

22. Financial instruments

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Financial assets				
Financial assets measured at fair value through profit or loss	1,096,835	357,500	33,167,781	32,142,781
Trade debtors	598,682	312,089	179,630	64,530
Amounts owed by group undertakings	-	-	6,345,401	6,058,822
Amounts owed by joint ventures	6,972,761	6,836,134	6,490,136	6,065,136
Other debtors	2,802,886	2,497,869	187,104	146,198
	11,471,164	10,003,592	46,370,052	44,477,467
Financial liabilities				
Bank loans and overdrafts	(3,473,110)	(3,796,823)	(3,427,601)	(3,796,823)
Other loans	(44,933,352)	(57,321,320)	(44,463,417)	(56,902,741)
Trade creditors	(1,125,284)	(1,091,132)	(594,667)	(592,849)
Amounts owed to group undertakings	-	-	(5,426,585)	(5,125,655)
Other creditors	347,687	(220,010)	(57,031)	(46,890)
	(49,184,059)	(62,429,285)	(53,969,301)	(66,464,958)

23. Provisions

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
At 1 January 2019	592,237	703,000	100,000	-
Charged to profit or loss	-	177,008	-	100,000
Utilised in the year	(95,379)	(287,771)	-	-
Write back of provisions	-	-	-	-
At 31 December 2019	496,858	592,237	100,000	100,000

24. Share capital

	2019	2018
	€	€
Allotted, called up and fully paid		
23,356 (2018 - 23,356) A Ordinary shares of £1.00 each	43,540	43,540
27,522 (2018 - 27,522) B Ordinary shares of £1.00 each	42,249	42,249
27,522 (2018 - 27,522) C Ordinary shares of £1.00 each	42,249	42,249
	128,038	128,038

25. Capital commitments

At 31 December 2019 the Group and Company had capital commitments as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
	€	€	€	€
Contracted for but not provided in these financial statements	-	532,151	-	532,151
	-	532,151	-	532,151

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to €234,673 (2018: €229,895). Contributions totalling €41,045 (2018: €35,866) were payable to the fund at the reporting date.

27. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2019	Group 2018	Company 2019	Company 2018
	€	€	€	€
Not later than 1 year	453,494	677,569	107,272	228,957
Later than 1 year and not later than 5 years	1,223,874	1,678,397	116,022	398,600
Later than 5 years	2,585,738	2,768,438	-	-
	4,263,106	5,124,404	223,294	627,557

28. Related party transactions

At the reporting date, included within amounts owed by joint venture undertakings are advances as follows:

	2019 €	2018 €
SA La Preservatrice, Geneve	6,154,536	6,065,136
	6,154,536	6,065,136

The group paid management fees of €183,037 (2018: €173,368) to Cofigolf SARL, a company in which Mr N Boissonnas has a financial interest.

The joint ventures, SA La Preservatrice and SA Omnium Investments, paid management fees of €151,189 (2018: €147,386) to Cofigolf SARL.

At the reporting date, the following loans were due to related parties:

Name and relationship	Amount 2019 €	Accrued interest payable 2019 €	Amount 2018 €	Accrued interest payable 2018 €
Kereda SA - Shareholder	-	-	19,909,107	1,539,637
Nungesser Inc - Connected company	21,954,310	274,444	28,743,634	653,521
Namu Inc - Connected company	22,509,107	296,387	8,250,000	377,740
	44,463,417	570,831	56,902,741	2,570,898

Nungesser Inc and Namu Inc are companies in which Mr N Boissonnas has a beneficial interest. These companies have the option to convert part or all of the outstanding principal and accrued and unpaid interest on the loan in January 2025 into shares at a price equal to the higher of the fair market value or nominal value at their discretion.

During the year, Namu Inc acquired the loan due to Kereda SA in the previous year.

During the year, Nungesser Inc and Namu Inc waived loans outstanding as detailed in note 12.

The company has taken advantage of the exemption allowed by FRS102 paragraph 33.1A not to disclose any transactions with wholly owned subsidiary undertakings.

29. Controlling party

The ultimate controlling party during the year was N Boissonnas.

30. Post balance sheet events

On 30 June 2020, the company waived unconditionally €5,623,090 due from SA La Preservatrice, Genève to recapitalise the balance sheet of that company due to recurring losses.