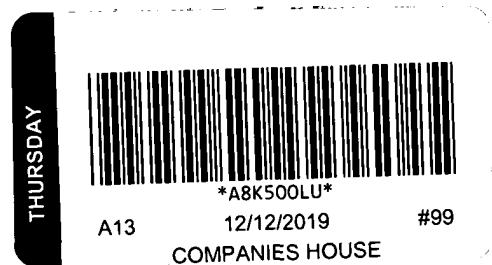


**STAPLEFORD PARK LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



**STAPLEFORD PARK LIMITED**  
**REGISTERED NUMBER: 01948599**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	2,082,819	2,116,752
		<u>2,082,819</u>	<u>2,116,752</u>
<b>Current assets</b>			
Stocks	5	115,132	118,483
Debtors: amounts falling due within one year	6	168,394	196,950
Cash at bank and in hand		27,562	111,637
		<u>311,088</u>	<u>427,070</u>
Creditors: amounts falling due within one year	7	(11,716,826)	(10,384,159)
<b>Net current liabilities</b>		<u>(11,405,738)</u>	<u>(9,957,089)</u>
<b>Total assets less current liabilities</b>		<u>(9,322,919)</u>	<u>(7,840,337)</u>
Creditors: amounts falling due after more than one year	8	(1,782,178)	(2,010,229)
<b>Net liabilities</b>		<u><u>(11,105,097)</u></u>	<u><u>(9,850,566)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	3,798,067	3,798,067
Profit and loss account		(14,903,164)	(13,648,633)
		<u><u>(11,105,097)</u></u>	<u><u>(9,850,566)</u></u>

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**STAPLEFORD PARK LIMITED**  
**REGISTERED NUMBER: 01948599**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2019**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

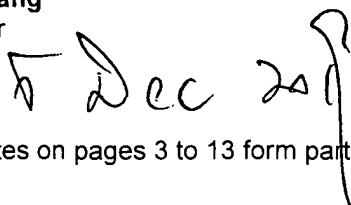
The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Mr R Tang**  
Director

Date:



The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**1. General information**

The entity is a private company limited by shares which is incorporated in England and Wales, registration number 01948599. The registered office is E3 The Premier Centre, Abbey Park, Romsey, Hampshire, SO51 9DG and its trading address is Stapleford Road, Stapleford, Melton Mowbray, LE14 2EF.

The Company is principally engaged in running a luxury country house hotel, sporting estate and membership club.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have adopted the going concern basis in the preparation of these financial statements. The Company reported a loss of £1,254,531 (2018 - £1,346,058) in the year ended 31 March 2019 and, at that date, the Company's total liabilities exceeded its total assets by £11,105,097 (2018 - £9,850,566). As a result of losses sustained in this and prior years, the Company's ability to continue to trade and meet its liabilities is dependent upon the continued support of the UK Group's investors. This in turn impacts on the Company's ability to repay group indebtedness generally and on the resultant viability of the Group.

The Company's ability to continue as a going concern is dependent on the ongoing support of the parent company's shareholders and investors. The directors have received written confirmation from the shareholders that it is not their present intention to seek recovery of any amounts due to them by members of the UK Group within 12 months of the signing of the Balance Sheet and additional funds will be made available to the UK Group to enable them to meet their liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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2. Accounting policies (continued)

2.3 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is British Pounds Sterling (£).

**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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.4 Turnover**

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. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Operating leases**

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**2.6 Finance lease agreements**

Where the Company enters into a lease which entails taking substantially all the risk and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated in accordance with the above depreciated policies. Future installments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for the future installments.

**2.7 Government grants**

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the Profit and Loss Account over the estimated useful life of the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.8 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

**2.10 Pensions**

The company operates a defined contribution pensions scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**2.11 Taxation**

Tax is recognised in the Profit and Loss Account, except that a charge 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

**2.12 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 Company 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 Company. 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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**2. Accounting policies (continued)**

**2.12 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

The estimated useful lives range as follows:

Golf course leasehold land	- Over the remaining term of the lease
Plant and machinery	- 15% reducing balance per annum
Motor vehicles	- 25% reducing balance per annum

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 in the Profit and Loss Account.

**2.13 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 balance sheet 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.

**2.14 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.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. 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.

**2.16 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

and other accounts receivable and payable, are initially measured at transaction price, net of transaction costs and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and Loss Account.

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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Employees**

The average monthly number of employees, including directors, during the year was 153 (2018 - 148).

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**STAPLEFORD PARK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**4. Tangible fixed assets**

	<b>Golf course leasehold land £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2018	2,903,693	26,579	132,739	3,063,011
At 31 March 2019	2,903,693	26,579	132,739	3,063,011
<b>Depreciation</b>				
At 1 April 2018	822,792	12,868	110,599	946,259
Charge for the year on owned assets	26,341	2,057	1,626	30,024
Charge for the year on financed assets	-	-	3,909	3,909
At 31 March 2019	849,133	14,925	116,134	980,192
<b>Net book value</b>				
At 31 March 2019	2,054,560	11,654	16,605	2,082,819
At 31 March 2018	2,080,901	13,711	22,140	2,116,752

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2019 £</b>	<b>2018 £</b>
Motor vehicles	-	15,635
	-	15,635

**5. Stocks**

	<b>2019 £</b>	<b>2018 £</b>
Food, beverages and consumables	115,132	118,483

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**STAPLEFORD PARK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**6. Debtors**

	2019 £	2018 £
Trade debtors	32,619	63,978
Other debtors	7,752	21,905
Prepayments and accrued income	128,023	111,067
	<u>168,394</u>	<u>196,950</u>

**7. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank overdrafts	26,052	-
Bank loan	300,980	300,980
Trade creditors	475,485	542,456
Amounts owed to group undertakings	9,977,565	8,635,483
Other taxation and social security	147,691	135,812
Obligations under finance lease and hire purchase contracts	-	9,271
Other creditors	122,824	120,571
Accruals and deferred income	666,229	639,586
	<u>11,716,826</u>	<u>10,384,159</u>

The following liabilities were secured:

	2019 £	2018 £
Bank overdrafts	26,052	-
Bank loan	300,980	300,980
Obligations under hire purchase contracts	-	9,271
	<u>327,032</u>	<u>310,251</u>

The bank loan and overdraft are secured by way of a fixed and floating charge over all the assets of Stapleford Park Limited and Arlaform Limited due to the cross guarantee that exists between these two companies.

Obligations under hire purchase contracts of £Nil (2018 - £9,271) are secured against the assets to which they relate.

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**STAPLEFORD PARK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**8. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loan	1,678,628	1,900,679
Government grants received	103,550	109,550
	<u>1,782,178</u>	<u>2,010,229</u>

The following liabilities were secured:

	2019 £	2018 £
Bank loan	1,678,629	1,900,679
	<u>1,678,629</u>	<u>1,900,679</u>

The bank loan is secured by way of a fixed and floating charge over all the assets of Stapleford Park Limited and Arlaform Limited due to the cross guarantee that exists between these two companies.

**9. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
37,980,665 (2018 - 37,980,665) Ordinary Shares shares of £0.10 each	<u>3,798,067</u>	<u>3,798,067</u>

**10. Government grants**

	2019 £	2018 £
At 1 April 2018	109,550	115,550
Released in the year	(6,000)	(6,000)
	<u>103,550</u>	<u>109,550</u>

The above grants were received from the English Tourism Board.

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## STAPLEFORD PARK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 11. Guarantees

A cross guarantee and debenture exists between Stapleford Park Limited and Arlaform Limited over net bank borrowings. At 31 March 2019 net bank borrowings of the two companies amounted to £2,005,660 (2018 - £2,201,659).

#### 12. Transactions with directors

During the year the following interest free loans were advanced to directors:

	Mr S Hussain £
B/fwd	(6,932)
Advances	16,932
Repayments	(10,000)
C/fwd	-

#### 13. Related party transactions

##### Kelmay Limited

During the year Kelmay Limited, a company in which Mr R Tang is a director and shareholder, provided services to Stapleford Park Limited amounting to £53,757 (2018 - £69,034).

##### Lushmass Limited

During the year Lushmass Limited, a company in which Mr R Tang is a director and shareholder, provided services to Stapleford Park Limited amounting to £50,000 (2018 - £nil).

The Company has taken advantage of the exemption under Financial Reporting Standard 102, section 33 from the requirement to disclose the transactions with group companies that are wholly owned.

#### 14. Controlling party

The immediate parent undertaking of this Company is Arlaform Limited, a company registered in England and Wales. The smallest group which prepares consolidated accounts, of which this company is included, is Arlacross Limited. These accounts can be obtained from E3 The Premier Centre, Abbey Park, Romsey, Hampshire, SO51 9DG.

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**STAPLEFORD PARK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**15. Auditors' information**

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.2 in the financial statements, which indicates that conditions identified that may cast significant doubt on the Company's ability to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on *11 Dec 2019* by Alan Herbert FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.