Registered number: 01948599

STAPLEFORD PARK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

STAPLEFORD PARK LIMITED
REGISTERED NUMBER:01948599

BALANCE SHEET
AS AT 31 MARCH 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		**2,116,752**		2,152,754
			2,116,752		2,152,754
Current assets					
Stocks	5	**118,483**		172,870	
Debtors: amounts falling due within one year	6	**196,950**		170,978	
Cash at bank and in hand		**111,637**		36,214	
		427,070		380,062	
Creditors: amounts falling due within one year	7	**(10,384,159)**		(9,174,552)	
Net current liabilities			**(9,957,089)**		(8,794,490)
Total assets less current liabilities			**(7,840,337)**		(6,641,736)
Creditors: amounts falling due after more than one year	8		**(2,010,229)**		(1,862,772)
Net liabilities			**(9,850,566)**		(8,504,508)
Capital and reserves					
Called up share capital			**3,798,067**		3,798,067
Profit and loss account			**(13,648,633)**		(12,302,575)
			(9,850,566)		(8,504,508)

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

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 Profit and Loss Account in accordance with the 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: 18/12/2018

The notes on pages 3 to 14 form part of these financial statements.

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.

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

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 £1,346,058 in the year ended 31 March 2018 and, at that date, the Company's total liabilities exceeded its total assets by £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.

2. Accounting policies (continued)

2.3 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.

2.4 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.

2. Accounting policies (continued)

2.4 *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 bases:

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.

2.5 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 risks 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 depreciation policies. Future instalments 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 future instalments.

2.7 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.

2.8 Debtors

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

2. Accounting policies (continued)

2.9 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.

2.10 Creditors

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

2.11 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.

2.12 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 a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Borrowing costs

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

2.14 Pensions

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

2.15 Financial instruments

The Company 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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. 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 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.

2.16 Foreign currency translation

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.

2. Accounting policies (continued)

2.17 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.

3. Employees

The average monthly number of employees, including directors, during the year was 148 (2017 - 157).

4. Tangible fixed assets

	Golf course leasehold land £	Other fixed assets £	Total £
Cost or valuation			
At 1 April 2017	**2,903,693**	**159,318**	**3,063,011**
At 31 March 2018	**2,903,693**	**159,318**	**3,063,011**
Depreciation			
At 1 April 2017	**796,451**	**113,806**	**910,257**
Charge for the year on owned assets	**26,341**	**4,449**	**30,790**
Charge for the year on financed assets	**-**	**5,212**	**5,212**
At 31 March 2018	**822,792**	**123,467**	**946,259**
Net book value			
At 31 March 2018	**2,080,901**	**35,851**	**2,116,752**
At 31 March 2017	2,107,242	45,512	2,152,754

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

	2018 £	2017 £
Motor vehicles	**15,635**	20,847
	15,635	20,847

5. Stocks

	2018 £	2017 £
Food, beverages and consumables	**118,483**	172,870
	118,483	172,870

6. Debtors

	2018 £	2017 £
Trade debtors	**63,978**	12,326
Other debtors	**21,905**	28,173
Prepayments and accrued income	**111,067**	130,479
	196,950	170,978

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdraft	-	77,162
Bank loan	**300,980**	137,798
Obligations under hire purchase contracts	**9,271**	7,941
Trade creditors	**542,456**	437,717
Amounts owed to group undertakings	**8,635,483**	7,443,078
Other taxation and social security	**135,812**	127,580
Other creditors	**120,571**	99,312
Accruals and deferred income	**639,586**	843,964
	10,384,159	9,174,552

The following liabilities disclosed under creditors due within one year are secured by the Company:

	2018 £	2017 £
Bank overdraft	-	77,162
Bank loan	**300,980**	137,798
Obligations under hire purchase contracts	**9,271**	7,941
	310,251	222,901

The bank loan and overdraft 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.

Obligations under hire purchase contracts of £9,271 (2017 - £7,941) are secured against the assets to which they relate.

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

	2018	2017
	£	£
Bank loan	**1,900,679**	1,737,615
Obligations under hire purchase contracts	**-**	9,607
Government grants received	**109,550**	115,550
	2,010,229	1,862,772

The following liabilities disclosed under creditors falling due after more than one year are secured by the Company:

	2018	2017
	£	£
Bank loan	**1,900,679**	1,737,615
Obligations under hire purchase contracts	**-**	9,607
	1,900,679	1,747,222

The bank overdraft 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.

Obligations under hire purchase contracts of £Nil (2017 - £9,607) are secured against the assets to which they relate

9. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loan	**300,980**	137,798
	300,980	137,798
Amounts falling due 1-2 years		
Bank loan	**300,979**	275,596
	300,979	275,596
Amounts falling due 2-5 years		
Bank loan	**1,599,700**	1,462,019
	1,599,700	1,462,019
	2,201,659	1,875,413

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	**9,271**	7,941
Between 1-5 years	**-**	9,607
	9,271	17,548

11. Government grants

	2018 £	2017 £
At 1 April 2017	**115,550**	121,550
Released in the year	**(6,000)**	(6,000)
	109,550	115,550

The above grants were received from the English Tourism Board.

12. Capital commitments

At 31 March 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	1,017,750
	-	1,017,750

13. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	**458,846**	520,974
Later than 1 year and not later than 5 years	**1,816,060**	1,820,891
Later than 5 years	**16,189,629**	16,643,644
	18,464,535	18,985,509

14. Guarantees

A cross guarantee and debenture exists between Stapleford Park Limited and Arlaform Limited over net bank borrowings. At 31 March 2018 net bank borrowings of the two companies amounted to £2,138,982 (2017 - £1,948,433).

15. Related party transactions

Kelmay Limited

During the year Kelmay Limited, a company in which Mr R Tang and Mr S Hussain are both directors and shareholders, provided services to Stapleford Park Limited amounting to £69,034 (2017 - £55,956). At the year end the balance due from Kelmay Limited was £Nil (2017 - £5,879 due from Kelmay Limited).

During the year key management personnel were paid remuneration totalling £209,934 (2017 - £187,316).

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.

16. *Transactions with directors*

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

	B/fwd	Advances	Repayments	C/fwd
	£	£	£	£
Mr S Hussain	**(6,688)**	**74,756**	**(75,000)**	**(6,932)**
	(6,688)	**74,756**	**(75,000)**	**(6,932)**

17. Controlling party

The directors consider that the parent undertaking of this Company is Arlacross Limited, a company registered in England and Wales. Group accounts are prepared by Arlacross Limited, which can be obtained from E3, The Premier Centre, Abbey Park, Romsey, SO51 9DG.

Innoview Properties Limited, a company incorporated in the British Virgin Islands, is the Company's controlling related party under the definitions set out in Financial Reporting Standard 102, by virtue of its shareholding in Arlacross Limited.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2018 was unqualified.

In their report, the auditors made the following statement without qualifying their report:

We draw attention to note 2.2 in the financial statements, which indicates that conditions identified 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 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 21 December 2018 by Robert Nelson BA FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.