

REGISTERED NUMBER: 04594353 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2015
for
Crown Golf Group Limited
(formerly Bennelong Golf Limited)**

THURSDAY



L53ESPHV

LD3

24/03/2016

#3

COMPANIES HOUSE

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2015**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	5
Consolidated Profit and Loss Account	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Reconciliation of Net Cash Flow to Movement in Net Debt	10
Notes to the Consolidated Cash Flow Statement	11
Notes to the Consolidated Financial Statements	13

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Company Information
for the Year Ended 30 June 2015**

DIRECTORS:

J Chapman
G Toomey
S Towers

SECRETARY:

M Williams

REGISTERED OFFICE:

Pine Ridge Golf Club
Old Bisley Road
Camberley
Surrey
GU16 9NX

REGISTERED NUMBER:

04594353 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Reading Central
23 Forbury Road
Reading
RG1 3JH

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Strategic report
for the Year Ended 30 June 2015**

The directors present their strategic report on the affairs of the company and the group, together with the audited consolidated financial statements and independent auditors' report for the year ended 30 June 2015.

REVIEW OF THE BUSINESS

Crown Golf is one of Europe's largest golf club owner and operators. The group has an outstanding portfolio of clubs in its estate providing some of the best golf in the country. Crown Golf is committed to upholding the great traditions of golf whilst striving to provide an innovative and welcoming experience for our members and visitors.

2015 saw the Group continue to work hard to provide its customers with the best experience at our clubs whilst striving to improve shareholder value. The Group's membership population continues to grow, with the like for like population ahead of 2014 by over 3%.

The company's loss for the financial year was £7,364,000 (2014: £1,582,000). The group's turnover decreased from £33,514,000 to £32,720,000 due to the return of Blue Mountain Golf Centre back to the landlord after being given notice to vacate and Traditions Golf Club was returned to its landlord for a premium. The underlying turnover actually increased by nearly 2%.

KEY PERFORMANCE INDICATORS

The company has a number of Key Performance Indicators. The main focus is on gross profit margin by income stream and casual green fee yield, as show below:

	2014-15
Gross Profit Movement:	
Retail	(4.7)%
Food and Beverage	1.3%
Casual Green Fee Yield Movement	(42p)

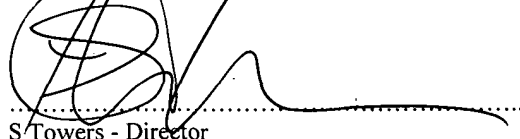
PRINCIPAL RISKS AND UNCERTAINTIES

Golf-related income is a discretionary spend and the directors are aware that the business may have some exposure to the current economic climate and its impact on consumer spending. Aside from the personal relationships that golf membership fosters, which engender loyalty and commitment to golf, we continue to be in a good position to mitigate this risk as the business operates through a number of geographic regions, predominantly in the south and south east of England, has diversified income streams and places emphasis on securing new business. Our eleven successful Crown Golf Academies encourage new golfers into our clubs and promote golf at grass roots level, focusing on families, children's and ladies' golf. We also place a strong emphasis on retaining existing members.

The interest rate risk of the bank loans is mitigated by swaps being in place. Cash flow risk is carefully managed on a daily basis which assists in the management of liquidity risk.

As it is across the golf industry, weather is a key risk. This is mitigated by maximising the use of each clubhouse and careful management of the courses to ensure they are able to stay open all year round.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:


S Towers - Director

Date: 18/12/2015

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Report of the Directors
for the Year Ended 30 June 2015**

The directors present their report and the audited financial statements of the group for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The principal activity of the group in the year under review continues to be the ownership and management of golf courses under the umbrella of the Crown Golf brand. Crown Golf is the largest owner and operator of golf courses in the UK, with the group's management operating 23 properties (2014: 25).

POSITION OF THE BUSINESS

The company's loss for the financial year was £7,364,000 (2014: £1,582,000), which includes an impairment charge of £6,330,000. See note 9 for further details. See the Strategic Report on page 2 for a more detailed review of the business.

FUTURE DEVELOPMENTS

The group continues with the goal to increase shareholder value whenever possible. The directors do not anticipate any significant changes in the nature of the business in the forthcoming year.

GOING CONCERN

The company's ultimate parent (Elbowup Pty Ltd as trustee for Inthe Vee Discretionary Trust) has provided a letter of financial support, confirming that it will make available sufficient financial resources to the company as and when required, for a minimum of twelve months from the date of signing these financial statements.

As a result of the above, the Directors are of the opinion that it is appropriate for the financial report to be prepared on a going concern basis as the company has appropriate resources to meet its debts and commitments as and when they fall due.

DISABLED EMPLOYEES

The group gives equal consideration to all applicants for employment irrespective of any disability. If a person becomes disabled while employed by the company, every endeavour is made to protect that person's position. Disabled persons have the same opportunities for training and career development as other employees with similar skills and abilities.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the group and company. This is achieved through regular contact by management with employees both over electronic communication and formal and informal communications within the individual clubs.

SUBSEQUENT EVENTS

There are no significant events since the end of the year.

DIRECTORS

The directors who held office during year and up to the date of signing the financial statements are given below:

J Chapman

S Towers (appointed 30 June 2015)

C Cunningham (resigned 26 March 2015)

Gary Toomey (appointed 1st July 2015)

DIRECTORS INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the year Directors and Officers liability insurance in respect of itself and its directors.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Report of the Directors
for the Year Ended 30 June 2015 (continued)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

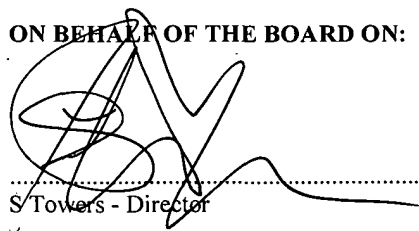
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD ON:


.....
S Towers - Director

Date: 18/12/2015

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

Independent auditors' report to the members of Crown Golf Group Limited (formerly Bennelong Golf Limited)

Report on the financial statements

Our opinion

In our opinion, Crown Golf Group Limited's (formerly Bennelong Golf Limited) group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2015 and of the group's loss and cash flows 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.
-

What we have audited

Crown Golf Group Limited's (formerly Bennelong Golf Limited) financial statements comprise:

- the consolidated balance sheet as at 30 June 2015;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the reconciliation of movements in shareholders' deficit for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Crown Golf Group Limited (formerly Bennelong Golf Limited) (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the consolidated financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

18 December 2015

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Consolidated Profit and Loss Account
for the Year Ended 30 June 2015**

	Note	2015 £'000	2014 £'000
TURNOVER	2	32,720	33,514
Cost of sales		<u>(5,248)</u>	<u>(5,492)</u>
GROSS PROFIT		27,472	28,022
Administrative expenses		(27,198)	(28,276)
Impairment of tangible fixed assets	9	<u>(6,330)</u>	<u>-</u>
OPERATING LOSS	4	(6,056)	(254)
Loss on sale of tangible fixed assets	7	<u>(177)</u>	<u>(329)</u>
		(6,233)	(583)
Interest payable and similar charges	5	<u>(1,039)</u>	<u>(935)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,272)	(1,518)
Tax on loss on ordinary activities	6	<u>(92)</u>	<u>(64)</u>
LOSS FOR THE FINANCIAL YEAR	18,23	<u>(7,364)</u>	<u>(1,582)</u>

CONTINUING OPERATIONS

All of the group's activities are continuing.

There are no gains and losses other than those included in the profit and loss account above and accordingly no statement of total recognised gains and losses has been presented.

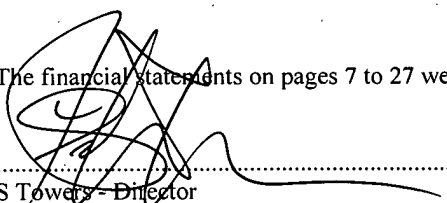
There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical costs equivalents.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Consolidated Balance Sheet
As at 30 June 2015**

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	59,147	68,083
CURRENT ASSETS			
Stocks	11	1,121	1,329
Debtors	12	5,015	5,151
Cash at bank and in hand		1,246	570
		7,382	7,050
CREDITORS			
Amounts falling due within one year	13	(14,864)	(14,545)
NET CURRENT LIABILITIES		(7,482)	(7,495)
TOTAL ASSETS LESS CURRENT LIABILITIES		51,665	60,588
CREDITORS			
Amounts falling due after more than one Year	14	(58,538)	(60,189)
PROVISIONS FOR LIABILITIES	17	(562)	(470)
NET LIABILITIES		(7,435)	(71)
CAPITAL AND RESERVES			
Called up share capital	25	21,338	21,338
Members' equity	18	3,744	3,744
Profit and loss account	18	(32,517)	(25,153)
TOTAL SHAREHOLDERS' DEFICIT	23	(7,435)	(71)

The financial statements on pages 7 to 27 were approved by the Board of Directors and were signed on its behalf by:


S Towers - Director

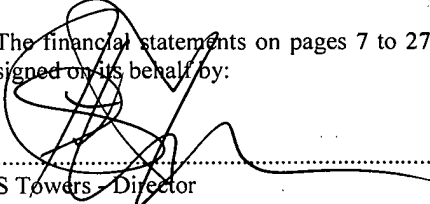
Date 18/12/2015

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Company Balance Sheet
As at 30 June 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	-	-
Investments	10	<u>2,266</u>	<u>2,266</u>
		2,266	2,266
ASSETS			
Debtors: amounts falling due within one year	12	799	796
Debtors: amounts falling due after more than one year	12	<u>69,541</u>	<u>70,045</u>
		70,340	70,841
CREDITORS			
Amounts falling due within one year	13	<u>(13,459)</u>	<u>(13,107)</u>
NET CURRENT ASSETS		<u>56,881</u>	<u>57,734</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>59,147</u>	<u>60,000</u>
CREDITORS			
Amounts falling due after more than one year	14	<u>(39,080)</u>	<u>(40,245)</u>
NET (LIABILITIES)/ASSETS		<u>20,067</u>	<u>19,755</u>
CAPITAL AND RESERVES			
Called up share capital	25	21,338	21,338
Profit and loss account	18	<u>(1,271)</u>	<u>(1,583)</u>
TOTAL SHAREHOLDERS' FUNDS	23	<u>20,067</u>	<u>19,755</u>

The financial statements on pages 7 to 27 were approved by the Board of Directors on 18 December 2015 and were signed on its behalf by:


S Towers - Director

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2015**

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	CF1	2,684	2,357
Returns on investments and servicing of finance	CF2	(1,093)	(995)
Taxation	CF2	-	-
Capital (expenditure)/income	CF2	202	(761)
		1,793	601
Financing	CF2	(1,102)	(1,335)
Increase / (decrease) in cash in the year		691	(734)

**Reconciliation of Net Cash Flow
to Movement in Net Debt**

	2015 £'000	2014 £'000
Increase / (decrease) in cash in the year	691	(734)
Cash outflow from decrease in debt and lease financing	1,102	1,335
Change in net debt resulting from cash flows	1,793	601
Write-back and reclassification of members' loans	82	63
Debt for equity swap	-	21,375
Finance leases taken out in year	(122)	(285)
Movement in net debt in the year	1,753	21,754
Net debt at 1 July	(60,956)	(82,710)
Net debt at 30 June	CF3 (59,203)	(60,956)

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2015**

CF 1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£'000	£'000
Operating loss	(6,056)	(254)
Depreciation charges	2,396	3,000
Impairment losses	6,330	69
Write-back of members' loans	(82)	(63)
Decrease in stocks	209	6
Decrease in debtors	136	357
Decrease in creditors	(249)	(758)
Net cash inflow from operating activities	2,684	2,357

CF 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£'000	£'000
Returns on investments and servicing of finance		
Arrangement fees paid	(54)	(60)
Interest paid	(1,026)	(901)
Interest element of hire purchase payments	(13)	(34)
Net cash outflow for returns on investments and servicing of finance	(1,093)	(995)
Capital expenditure		
Purchase of tangible fixed assets	(462)	(661)
Cottesmore disposal costs	-	(100)
Sale of tangible fixed assets	664	-
Net cash inflow/(outflow) for capital expenditure	202	(761)
Financing		
Loans repayments	(252)	(789)
Cash movements in Member Loans	-	(5)
Capital element: finance lease payments	(382)	(537)
Decrease in amount owed to parent	(468)	(4)
Net cash outflow from financing	(1,102)	(1,335)

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Cash Flow Statement - continued
for the Year Ended 30 June 2015**

CF 3. ANALYSIS OF CHANGES IN NET DEBT

	At 30 June 2014 £'000	Cash flow £'000	Non cash changes £'000	At 30 June 2015 £'000
Net cash:				
Cash at bank and in hand	570	676	-	1,246
Bank overdraft	(227)	15	-	(212)
	<u>343</u>	<u>691</u>	<u>-</u>	<u>1,034</u>
Debt:				
Hire purchase	(540)	382	(122)	(280)
Debts falling due within one year	(731)	304	(1,108)	(1,535)
Debts falling due after one year	(60,028)	416	1,190	(58,422)
	<u>(61,299)</u>	<u>1,102</u>	<u>(40)</u>	<u>(60,237)</u>
Total	<u>(60,956)</u>	<u>1,793</u>	<u>(40)</u>	<u>(59,203)</u>

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2015**

1. ACCOUNTING POLICIES

Accounting convention

The principal accounting policies are set out below. They have been applied consistently throughout the current and preceding year.

The financial statements have been prepared under the historical cost convention on the going concern basis. They have been prepared in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

Going concern basis of preparation

The company's ultimate parent (Elbowup Pty Ltd as trustee for Inthe Vee Discretionary Trust) has provided a letter of financial support, confirming that it will make available sufficient financial resources to the company as and when required, for a minimum of twelve months from the date of signing these financial statements.

As a result of the above, the Directors are of the opinion that it is appropriate for the financial report to be prepared on a going concern basis as the company has appropriate resources to meet its debts and commitments as and when they fall due.

Basis of consolidation

The group financial statements consolidate the financial statements of Crown Golf Group Limited (formerly Bennelong Golf Limited) and its subsidiary undertakings made up to 30 June 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the company's financial statements, investments in subsidiary undertakings which are directly or indirectly controlled by the company and give rise to benefits for the company that are in substance no different from those that would arise were the entity a subsidiary undertaking, are accounted for as quasi subsidiaries. Accordingly, the assets, liabilities, profits, losses and cash flows of such entities are consolidated into the group financial statements in the same way as if they were those of a subsidiary undertaking.

St Mellion Property Management Limited, a subsidiary undertaking by virtue of control has been excluded from the consolidation as, under FRS 2, severe long-term restrictions hinder the exercise rights of the parent company over the subsidiary undertaking.

Turnover

Group turnover is derived from the provision of golf and ancillary facilities in the United Kingdom and represents membership entrance fees and subscription income receivable in respect of the year. Membership fees for both golf and leisure members are time apportioned over the period that they apply. For Freedom Play, joining fees are time apportioned over the period they relate to and top up points are released to the P&L as and when they are used.

Food, beverage and retail sales are made from the on-site restaurants and shops. This revenue is recognised as income at the time the sale is made at invoice value excluding value added tax. Group turnover also includes non-membership golf and leisure income (green fees, driving range sales and health and fitness sales) which is also recognised at time sale is made.

Revenue from functions and conferences is deferred until the event takes place, from which point revenue is fully recognised.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment. Accordingly, unless there is an impairment charge that reduces the book value to the fair value, the book value may not reflect the fair value of the tangible assets if these were to be measured in accordance with Fair value measurement at each balance date. Depreciation is provided at rates calculated to write off the cost of each asset, less estimated residual value, on a straight-line basis over its expected useful life as follows:

Freehold buildings	- 2% straight line
Leasehold buildings	- over the length of the lease
Equipment, Fixtures & fittings	- 10% to 15% straight line
IT equipment	- 33% straight line

Freehold and leasehold land and assets under construction are not depreciated.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Stocks

Stocks consist of finished goods and goods held for resale, and are stated at the lower of cost and net realisable value. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to disposal. Provision is made for slow moving or defective items where appropriate.

Taxation and deferred tax

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The taxation liabilities of group companies are reduced wholly or in part by the surrender of losses by other group companies.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. Deferred tax is recognised on a non-discounted basis.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

The group enters into operating and finance leases.

Assets held under finance leases are initially recorded at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the period of the lease to produce a constant rate of charge on the outstanding balance. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful economic lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

1. ACCOUNTING POLICIES - continued

Related party transactions

Under the provisions of Financial Reporting Standard No 8, the company is not required to disclose details of certain related party transactions as it is a wholly owned company and the consolidated financial statements of the parent company in which the company's results are included are available to the public.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes. They are not held at fair value and the valuation disclosed in note 24 is provided by the bank.

Member loans

The group's member loans balances are recognised in accordance with the club rules of the relevant club.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they relate.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contribution payable in the year. Differences between the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

The turnover and loss on ordinary activities before taxation of the company and the group is wholly attributable to the principal activity, which is conducted entirely in the United Kingdom.

3. STAFF COSTS

	2015	2014
	£'000	£'000
Wages and salaries	11,841	12,293
Social security costs	863	943
Other pension costs	77	77
	<u>12,781</u>	<u>13,313</u>

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

	2015	2014
Administration	81	86
Service	580	565
	<u>661</u>	<u>651</u>

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

3. STAFF COSTS - continued

The group makes contributions to third party stakeholder pension schemes on behalf of certain employees. The asset/ (liability) as at the year-end was £9,033 (2014: (£2,554)).

Directors' emoluments:	2015	2014
The directors received emoluments during the year as shown below:	£'000	£'000
Emoluments (including benefits)	-	215
Highest paid director	-	215

The emoluments for the two non-UK directors (2014: two) have been paid during the year by parent undertakings, Elbowup Pty Ltd. The amount allocated to the company for their services to the UK group was £nil (2014: £nil) and no recharge was made for their services in either year.

The remaining directors were appointed on or after 30 June 2015, and therefore there are no emoluments to disclose for their director services during the year.

4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Depreciation of tangible fixed assets		
-owned	2,244	2,778
-held under finance leases and hire purchase agreements	140	222
Loss on disposal of fixed assets (note 7)	177	329
Impairment of fixed assets	6,330	69
Operating lease rentals:		
-plant & machinery	349	364
-other	2,903	2,944
Members deposits no longer refundable	(82)	(68)
Release of insurance accrual	-	(611)

Services provided by the company's auditors and its subsidiaries

During the year the group (including its overseas subsidiaries) obtained the following services from the company's auditors and its associates:

	2015	2014
	£'000	£'000
Fees payable to company auditors for the audit of parent company, its subsidiaries and the consolidated financial statements	78	73

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
On bank loans and overdrafts	1,026	901
On finance leases and hire purchase contracts	13	34
	<u>1,039</u>	<u>935</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of the tax credit

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2015	2014
	£'000	£'000
Current tax:		
UK corporation tax	-	-
Deferred tax (credit)/charge	92	64
Tax on loss on ordinary activities	<u>92</u>	<u>64</u>

Factors affecting the tax charge

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation tax in the UK.

The difference is explained below:

	2015	2014
	£'000	£'000
Loss on ordinary activities before tax	<u>(7,272)</u>	<u>(1,518)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	(1,509)	(342)
Effects of:		
Expenses not deductible for tax purposes	1,922	63
Capital allowances in excess of depreciation	(535)	209
Group relief for which no consideration received	112	71
Utilisation of tax losses	10	-
Utilisation of STTDs	<u>-</u>	<u>(1)</u>
Current tax charge	<u>-</u>	<u>-</u>

As a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013; the relevant deferred tax balances have been re-measured and reflected in the calculation of deferred tax at the balance sheet date.

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The effect of these changes is not considered to be material.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

7. LOSS ON SALE OF TANGIBLE ASSETS

During the year the group:

- Returned Blue Mountain Golf & Country Club ("Blue Mountain") to the landlord for nil consideration. The net book value of the assets in relation to Blue Mountain were nil at the point of disposal. Costs incidental to returning the property to the landlord were £41,000. This led to a loss on disposal of £41,000; and
- Sold Traditions Golf & Country Club for net proceeds of £498,000. The carrying value of the assets at the time of disposal was £465,000. This resulted in a profit on disposal of £33,000; and
- Wrote off assets under construction at St Mellion, resulting in a loss of £169,000; and
- Sold a cottage held at St Mellion for net proceeds of £166,000 which was also equal to its book value. This resulted in nil profit on disposal.

The combination of the above resulted in a net loss on disposal of £177,000.

The 2014 loss on disposal related to the group returning Cottesmore Golf & Country Club to the landlord for nil consideration. The carrying value of the assets at that time was £329,000 resulting in a loss on disposal of that amount.

8. RESULT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was a profit £312,000 (2014 - £141,000).

9. TANGIBLE ASSETS

Group	Freehold Land & Buildings	Lease- Hold Land & Buildings	Equipment Fixtures & Fittings	I.T. Equipment	Asset Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 1 July 2014	50,681	26,496	16,626	2,598	263	96,664
Additions	6	129	330	125	-	590
Disposals	(101)	(1,165)	(941)	(45)	(68)	(2,320)
At 30 June 2015	50,586	25,460	16,015	2,678	195	94,934
ACCUMULATED DEPRECIATION						
At 1 July 2014	5,830	7,905	12,607	2,201	38	28,581
Charge for year	677	436	1,090	193	-	2,396
Disposals	-	(633)	(851)	(36)	-	(1,520)
Impairment	5,335	995	-	-	-	6,330
At 30 June 2015	11,842	8,703	12,846	2,358	38	35,787
NET BOOK VALUE						
At 30 June 2015	38,744	16,757	3,169	320	157	59,147
At 30 June 2014	44,851	18,591	4,019	397	225	68,083

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

9. TANGIBLE ASSETS - continued

Included within equipment, fixtures and fittings above are certain leased assets with a net book value of £809,000 (2014: £1,129,000). The depreciation for the year relating to leased assets was £152,000 (2014: £222,000).

In accordance with FRS 11 an impairment review has been conducted to assess the recoverability of the assets book values. The recoverable amount of the assets, being the higher of net realisable value and continued value in use, has been calculated. Whilst many of the assets net book values were below their recoverable amount and hence were sufficiently supportable, an impairment charge of £6,330,000 has been proposed for those assets where the recoverable amount was deemed to be lower than the book value at the balance sheet date. Whilst management have adopted the financial guidance contained in FRS11 in assessing the book value of the respective assets, the actual realisable value may vary due to specific economic, synergistic, and individual purchaser/seller considerations.

Company	Plant and machinery £'000	Computer equipment £'000	Total £'000
COST			
At 1 July 2014 and 30 June 2015	<u>4</u>	<u>82</u>	<u>86</u>
ACCUMULATED DEPRECIATION			
At 1 July 2014 and 30 June 2015	<u>4</u>	<u>82</u>	<u>86</u>
NET BOOK VALUE			
At 30 June 2014 and 30 June 2015	<u>-</u>	<u>-</u>	<u>-</u>

10. INVESTMENTS

Company	Shares in group undertakings £'000
COST	
At 1 July 2014 and 30 June 2015	2,266
NET BOOK VALUE	
At 30 June 2014 and 30 June 2015	<u>2,266</u>

The company holds its investments at cost. The directors believe that the carrying value of the investments is supported by their underlying net assets. The group has no investments.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

10. INVESTMENTS - continued

The company has investments in the following subsidiary undertakings. The principal activity of all the subsidiary undertakings is the management and provision of golfing facilities and other golfing-related activities.

Subsidiary undertaking	Country of incorporation and operation or principal business address	Holding	%
Batchworth Park Golf Club Limited	England and Wales	Ordinary shares	100%
Golf Partners International Limited	England and Wales	Ordinary shares	100%
EP Golf Limited	England and Wales	Ordinary shares	100%
South Winchester Golf Club (1993) Limited	England and Wales	Ordinary shares	100%
Chesfield Downs Golf Club Limited	England and Wales	Ordinary shares	100%
Crown Golf Operations Limited (formerly Bennelong Golf Partners Subsidiary Limited)	England and Wales	Ordinary shares*	100%
MWGC Leisure Limited	England and Wales	Ordinary shares*	100%
Merrist Wood Golf Club Limited	England and Wales	Ordinary shares*	100%
Crown Golf St Mellion Limited (formerly Bennelong Golf (St Mellion) Limited)	England and Wales	Ordinary shares*	100%
Bennelong Golf Partners Limited	England and Wales	Ordinary shares	100%
Sunbury Golf Club Limited	England and Wales	Ordinary shares*	100%
Blue Mountain Golf Centre Limited	England and Wales	Ordinary shares*	100%

* Owned indirectly

11. STOCKS

	Group	
	2015	2014
	£'000	£'000
Finished goods	1,121	1,329

There is no material difference between the balance sheet value of stocks and their replacement cost.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

12. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	3,004	3,070	-	-
Amounts owed by companies under common control	702	524	754	754
Other debtors	80	251	5	1
Corporation Tax	209	209	34	34
Deferred tax asset (see note 17)	-	-	6	7
Prepayments and accrued income	1,020	1,097	-	-
	<u>5,015</u>	<u>5,151</u>	<u>799</u>	<u>796</u>
 Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	69,541	70,045
	<u>-</u>	<u>-</u>	<u>69,541</u>	<u>70,045</u>
 Aggregate amounts	<u>5,015</u>	<u>5,151</u>	<u>70,340</u>	<u>70,841</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	845	731	750	210
Overdraft	212	227	211	204
Hire purchase contracts (see note 16)	165	379	-	-
Trade creditors	547	1,039	-	-
Amounts owed to group undertakings	-	-	4,695	4,666
Amounts owed to companies under common control	2,510	2,080	6,906	6,363
Other taxation and social security	249	287	35	16
VAT	826	908	861	893
Other creditors	1,296	1,342	-	-
Members' loans	690	-	-	-
Accruals and deferred income	7,524	7,552	1	755
	<u>14,864</u>	<u>14,545</u>	<u>13,459</u>	<u>13,107</u>

Amounts owed by group undertakings are non-interest bearing, unsecured and do not have a fixed repayment term.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	15,200	15,565	14,869	15,565
Hire purchase contracts (see note 16)	116	161	-	-
Amounts owed to group undertakings	42,394	42,862	24,211	24,680
Members' loans	828	1,601	-	-
	<u>58,538</u>	<u>60,189</u>	<u>39,080</u>	<u>40,245</u>

Amounts owed to parent company

The amounts owed to the parent company are unsecured, have no fixed repayment date and are not interest bearing. In addition the directors have received confirmation that the group will not call in this balance for at least 12 months following the signing of the financial statements.

Other creditors

There are members' loans totalling £1,518,000 (2014: £1,601,000) and have been made by golf club members to the group. These loans are unsecured, non-interest bearing which are only repayable in two instances:

(i) If the member leaves when the club's membership is full and is replaced by a new member who makes a loan to replace the retiring member's loan.

(ii) In the event of a dissolution or winding up of the relevant subsidiary at which time any property remaining after the discharge of the debts and liabilities of the quasi subsidiary shall be applied to repay, equally, these loans and the advances.

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans	<u>845</u>	<u>731</u>	<u>750</u>	<u>210</u>
	<u>845</u>	<u>731</u>	<u>750</u>	<u>210</u>
Amounts falling due between two and five years:				
Bank loans due between two and five years	15,281	15,700	14,950	15,700
Bank loans due in greater than five years	-	-	-	-
Loan arrangement fees	<u>(81)</u>	<u>(135)</u>	<u>(81)</u>	<u>(135)</u>
	<u>15,200</u>	<u>15,565</u>	<u>14,869</u>	<u>15,565</u>

The group's bankers, Royal Bank of Scotland, have first legal charge over all of the freehold and leasehold properties that are held by the group with the exception of Merrist Wood Golf Club Limited, which is held by Lloyds TSB.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group	Hire purchase contracts	
	2015	2014
	£'000	£'000
Net obligations repayable:		
Within one year	165	379
Between two and five years	116	161
	<u>281</u>	<u>540</u>

Finance leases are secured on the assets to which they relate. These obligations are net of finance charges to be incurred in future years.

17. PROVISIONS FOR LIABILITIES

	Group	
	2015	2014
	£'000	£'000
Deferred tax	<u>-</u>	<u>470</u>

Group	Deferred tax
	£'000
Balance at 1 July 2014	470
Profit and loss account movement during the year	<u>92</u>
Balance at 30 June 2015	<u>562</u>

There is an unrecognised deferred tax asset of £1,600,000 (2014: 2,136,000). There is not sufficient evidence for the recoverability of this asset for it to be recognised.

Company	Deferred tax
	£'000
Balance at 1 July 2014	(7)
Profit and loss account movement during the year	<u>-</u>
Balance at 30 June 2015	<u>(7)</u>

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

18. RESERVES

Group	Profit and loss account deficit £'000	Revaluation reserve £'000	Members equity £'000	Total £'000
At 1 July 2014	(25,153)	-	3,744	(21,409)
Loss for the financial year	(7,364)	-	-	(7,364)
At 30 June 2015	<u>(32,517)</u>	<u>-</u>	<u>3,744</u>	<u>(28,770)</u>

Company

	Profit and loss account deficit £'000
At 1 July 2014	(1,583)
Profit for the year	<u>312</u>
At 30 June 2015	<u>(1,271)</u>

19. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Broadbat Pty Limited.

The ultimate parent undertaking and controlling party is Elbowup Pty Limited as trustee for Inthe Vee Discretionary Trust, a company incorporated in Australia.

Crown Golf Group Limited (formerly Bennelong Golf Limited) is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2015. The consolidated financial statements of Crown Golf Group Limited (formerly Bennelong Golf Limited) available from Pine Ridge Golf Club, Old Bisley Road, Camberley, Surrey GU16 9NX.

20. CONTINGENT LIABILITIES

Certain members were granted membership following the demise of members' clubs previously operating at certain of the golf courses now managed by the group. In the event of a dissolution or winding up of the company or the group, any property remaining after discharge of the debts and liabilities of the company or quasi subsidiary shall be used to pay back member loans to these members or their replacements. The directors estimate a maximum of approximately £4,986,000 (2014: £4,986,000) being the total of advances paid by these members to the demised clubs now managed by the group, together with the members' loan liability referred to in note 14.

Except in the event of a dissolution or winding up, the directors do not believe that the company or quasi subsidiaries have any liability to these members in respect of the advances made to the demised clubs. Accordingly, no provision has been made in these financial statements for such advances.

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

21. OTHER FINANCIAL COMMITMENTS

The group has also entered into operating leases or licences with other unconnected parties for the lease or operating licence of the following clubs: the Bristol Golf Club, Mill Green Golf Club, Addington Court Golf Club, South Essex Golf Club, Hertfordshire Golf Club, Oak Park Golf Club, Sherfield Oaks Golf Club, Blue Mountain Golf Club, Sunbury Golf Club, Hampton Court Palace Golf Club, Chesfield Downs Golf Club and Wickham Park Golf Club.

Commitments due under non-cancellable operating leases:

	Group		Company	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
2015				
Expiring within one year	-	268	-	10
Expiring within two and five years inclusive	32	105	-	7
Expiring in over five years	2,398	-	-	-
	<u>2,430</u>	<u>373</u>	<u>-</u>	<u>17</u>
2014				
Expiring within one year	342	383	-	10
Expiring within two and five years inclusive	30	257	-	17
Expiring in over five years	2,522	-	-	-
	<u>2,894</u>	<u>640</u>	<u>-</u>	<u>27</u>

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

22. RELATED PARTY DISCLOSURES

During the year, the group's related party transactions were as follows:

Related Party	Cash Transfer £'000	Overheads £'000	Total £'000
Crown Golf Pine Ridge Limited (formerly Bennelong Golf Investments Ltd)	(543)	-	(543)
St Mellion Property Management Ltd	-	(178)	(178)
	<u>(543)</u>	<u>(178)</u>	<u>(721)</u>

The amounts owing (to)/from companies under common control at the balance sheet date were:

	2015 £'000	2014 £'000
Owed Related Party		
Crown Golf Pine Ridge Limited (formerly Bennelong Golf Investments Ltd)	(2,510)	(2,080)
Crown Golf Management Services Limited (formerly Bennelong UK Ltd)	9	9
Crown Golf Pine Ridge Property Limited (formerly Bennelong Golf Investments Subsidiary Ltd)	233	233
St Mellion Property Management Limited	460	282
	<u>(1,808)</u>	<u>(1,556)</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

Group	2015 £'000	2014 £'000
Loss for the financial year	<u>(7,364)</u>	<u>(1,582)</u>
Net increase to shareholders' deficit	(7,364)	(1,582)
Opening shareholders' deficit	(71)	(19,827)
Issue of new share capital (note 25)	-	21,338
Closing shareholders' deficit	<u>(7,435)</u>	<u>(71)</u>

Crown Golf Group Limited (formerly Bennelong Golf Limited) (Registered number: 04594353)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2015**

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT (CONTINUED)

Company	2015 £'000	2014 £'000
Profit for the financial year	312	141
Net increase to shareholders' deficit	312	141
Opening shareholders' deficit	19,755	(1,724)
Issue of new share capital	-	21,338
Closing shareholders' deficit	20,067	19,755

24. DERIVATIVES NOT INCLUDED AT FAIR VALUE

The group has derivatives which are not included at fair value in the financial statements:

	Principal		Fair value	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Interest rate swap contracts	13,450	14,950	(420)	(550)

The group uses the derivatives to hedge interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date. Fair value was determined by obtaining market to market confirmation from the company's bankers. The instruments are a swap from variable interest payments into fixed interest payments.

The principal is comprised of an interest rate swap:

Start Date	End Date	Principal £'000
12 January 2012	31 December 2016	13,450

25. CALLED UP SHARE CAPITAL

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
21,374,501 (2014: 21,374,501) ordinary shares of £1 (2014:1)	21,338	21,338

On 17 December 2013, 21,374,500 ordinary shares were issued to the ultimate parent company, Elbowup Pty Limited in a debt for equity swap arrangement. The shares were issued at their nominal value of £21,374,500 less share issue expenses of £36,246. The corresponding reduction in the debt to the parent company was the full £21,374,500.