

CROWN GOLF GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CROWN GOLF GROUP LIMITED

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CROWN GOLF GROUP LIMITED

COMPANY INFORMATION

Directors	C Marshall G Thomas
Registered number	04594353
Registered office	Pine Ridge Golf Club Old Bisley Road Frimley Camberley Surrey GU16 9NX
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

CROWN GOLF GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The directors present their report and financial statements for the year ended 30 June 2021. The principal activity of the group during the year continued to be that of the ownership and management of golf courses under the umbrella of the Crown Golf brand.

Business review

Crown Golf Group Limited is the parent company of the Crown Golf Group. The directors believe the group has an outstanding portfolio of golf clubs in its estate, offering good quality and value golf to its members and visitors. Crown Golf is committed to upholding the great traditions of golf whilst striving to provide an innovative and welcoming experience for all who use the clubs.

The 2021 financial year has been a challenging year for Crown Golf and the group has reported a loss of £2,459,546 before tax for the year.

2021 was a relatively quiet year compared with 2020 where an exit of nine golf clubs was successfully completed. The on-going strategy of the group has been to consolidate its portfolio to a group of core golf clubs that can be operated successfully, with positive cash flows whilst reducing the group term debt. Despite the interruption and uncertainty that Covid-19 brought in the first few months of the 2021 financial year and Christmas 2020, the business continues to streamline its activities. The original term debt has been reduced from its original position of a year ago of £5m to £3m at the end of June 2021. The 2020 exits did however contribute significantly to the reduction in turnover. The directors believe that this decision will future proof the remaining group, and anticipate the retained sites will contribute a positive EBITDA and relatively stable cash generation in 2022.

Further to the group's own plans for 2021, the world and all businesses within it have been affected by the Coronavirus pandemic. The timing of the second lockdown in December 2020 was particularly difficult for golf clubs, coming off the back of a challenging spring and summer. With the golf clubs restricted for the first and second quarters of 2021 there was inevitably pressure on cashflow. The group is currently negotiating a new bank loan to ease the cash position. Whilst extra term debt was not in line with the group's strategy, the directors are of the view that with the uncertainty surrounding the pandemic, this was the right course of action to ensure the business is secure. Whilst the actions of the directors have secured the financial stability of the group going forward, the effect of the pandemic did add to the loss reported for the year, with a trading loss (excluding exceptional items) of £353,821

The impact of the loss has meant the Group Statement of Financial Position at 30 June 2021 is a deficit of £9,646,342. The directors are committed to careful management of the group's financial position and are confident that the Group will return to a net asset position.

Outlook

The Coronavirus pandemic and resulting lockdowns and restrictions have had a negative impact on the trading of the group throughout 2021. With the end of restrictions and the ability to hold events and entertainment, the clubs have been able to utilise their existing space and have started to see an uptake in trade. The group continues to see the benefits from increased focus on outdoor activities following the initial COVID-19 lockdowns, with a number of members continuing their golf subscriptions, and a couple golf courses having waiting lists for membership. Landlord and utility obligations required the golf courses to be continuously maintained to avoid them falling fallow. This meant that unlike some leisure businesses, the golf clubs did not completely close down with all staff being supported by the Government.

The directors have been re-negotiating supplier contracts and streamlining costs in order to make sure that where possible fixed costs are removed from the business, ensuring the business' resilience in future years. The directors believe this is pivotal to the business given rising inflation and day to day running costs of the golf courses. The group is expecting to see a significantly higher fixed cost base around energy, fuel and staff costs in 2022.

CROWN GOLF GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Following the club sales and cost restructuring, the remaining clubs are all forecast to generate positive EBITDA and cashflow, in the future. With the end to all restrictions and opening up of the economy, the directors are confident that the 2022 summer/autumn will be a successful one for the business, with a continued establishment of the strong memberships and expansion into alternative leisure and hospitality opportunities.

Principal risks and uncertainties

The directors consider the following principal risks and uncertainties facing the business:

Market risk

The directors expect that the ongoing effects of the Coronavirus pandemic and the war in Ukraine will continue to impact the global supply chain as a result of shortages in the availability of key fertilizers and aggregates, shortages in transportation capacity and increased energy prices.

Directors are seeing inflationary pressures on costs and staffing issues in the market. In order to mitigate these impacts, directors are working closely with suppliers, the golf course general managers and other providers to ensure stock and vital equipment are ordered early to secure pricing and that goods are shipped in a timely manner. To ensure the group continue to have stock availability the directors monitor the stock holding in some instances. Where courses have stock available, they will be able to maximise opportunities as demand continues, with limited impact on the membership and visitors to the courses.

Liquidity risk

The Group uses its bank and intergroup facilities to manage its working capital on a regular basis.

Foreign currency risk

The group's principal foreign currency exposures arise from transactions with the international group, the directors believe there are suitable instruments available to manage the risk of any further weakening of Sterling (£) in the future.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures, this is limited due to the nature of the trade. Trade debtors are monitored on an ongoing basis.

Financial key performance indicators

The group has a number of key performance indicators. The focus is on new joining member numbers, golf rounds played in the year and the net current asset position of the group.

New Joining members 517 (2020:944)*

Casual golf rounds players 212,005 (2020:216,587)*

Net current assets (excluding intercompany debt) £607,022 (2020: £289,058)

*figures are presented on a like for like basis (i.e. exclude the clubs exited in the financial year).

These above figures are line with the directors expectations and continue to strengthen the future activity of the group.

CROWN GOLF GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Directors' statement of compliance with duty to promote the success of the group

The Board of directors of Crown Golf Group Limited, in line with their duties under s172 of the Companies Act 2006 consider that they have acted in good faith to promote the success of the group for the benefit of its shareholders as a whole but recognise the importance of considering all stakeholders engagement including a range of other matters as set out in s172(1)(a-f) of the Act when making key decisions of strategic importance during the year ended 30 June 2021.

The directors have disclosed the information below to a level consistent with the size and complexity of the business and with emphasis on those of strategic importance to the group.

a) Long term strategy

Business operations are conducted with careful management of financial resources and tight budgetary controls. This strategy is used to protect the group for the long term to try and ensure that the provision of golf will benefit members and visitors for many years to come. The Board meet regularly to discuss results and forecast to ensure the group adapts where necessary according to the changes in the industry and wider economy.

b) Engaging with our employees

As a service led business, employees are one of the key stakeholders of the business. Every effort is made to attract, retain and motivate employees. A new training platform has been implemented which is available to all staff in order to enhance employee skills and motivation.

c) Fostering business relationships with suppliers, customers and others

The success of the Group strategy requires sustaining long lasting relationships with the golf and health club members. We aim to provide golf clubs where the members feel welcome and are able to build relationships with the club and each other.

Suppliers remain another key stakeholder to ensure we can deliver a high quality service to our clients. Regular interaction allows strong partnerships to be developed to ensure we can ensure our service offering meets the needs of our customers in all aspects of our business.

d) The impact of the group's operations on the community and the environment

The provision of golf benefits local communities by offering them an active lifestyle and green space to enjoy.

Additionally, the group actively encourages employee's participation in community work and reports of these are shared throughout the group.

Local suppliers are used where possible to ensure the environmental impact of logistics is kept as low as possible.

e) The desirability of the group maintaining a reputation for high standards of business conduct

The Board policies act in such a way that promotes high standards of business conduct by adhering and updating its policies and governance as follows:

1. The adherence of all relevant UK Laws
2. Payment of salaries and wages in line with or above the National Living Wage
3. Adopting an Ethical and Sustainability policy
4. Ensuring the Health and Safety of all employees and those that interact with the group
5. Compliance with gender pay gap reporting requirements

CROWN GOLF GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

f) The need to act fairly between members of the group

The directors adopt a course of action that best enables delivery of our long-term group strategy taking into consideration the impact on all stakeholders. In doing so, the directors act fairly between the group's members as far as it can, balanced between the group's interest and those of other stakeholders.

Greenhouse gas emissions, energy consumption and energy efficiency action

In accordance with the requirements of The Companies Energy and Carbon Report Regulations 2018, the directors would like to disclose the following information for the year ended 30 June 2021.

During the year the group has estimated a use of 4,218,000 kwh (2020: 7,187,000 kwh) or 895 tonnes (2020: 1,675 tonnes) CO₂e of gas and electricity.

The group has used previous KWH data from the utility providers and then applied the Government conversion factors for the company reporting to calculate the CO₂e content.

The group has taken the following action regarding energy efficiency during the year:

- Turned off gas and electric supplies during closures
- Replaced lighting with LED bulbs
- Installed PIR sensors to ensure lighting is only on when required
- Improvement of electrical wiring throughout the premises

Emissions (in tonnes CO₂e) per £k of revenue for the year was 0.10 (2020: 0.10)

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

C Marshall

Director

Date: 22 September 2022

CROWN GOLF GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and the financial statements for the year ended 30 June 2021.

Principal activity

The principal activity of the group in the year under review was that of 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 managing 7 golf courses at the end of the financial year (2020: 9).

Results and dividends

The loss for the year, after taxation, amounted to £2,538,111 (2020 - loss £10,862,705).

Directors

The directors who served during the year were:

G Thomas (appointed 12 May 2021)
D Fulcher (resigned 25 June 2021)
S Towers (resigned 27 September 2021)
S Vincett (appointed 1 June 2021, resigned 24 June 2021)
J Chapman (resigned 11 May 2021)
C Marshall (appointed 15 October 2021)

Future developments

The group continues with the goal to increase shareholder value whenever possible. The directors expect to continue to develop operational trading opportunities as well as furthering its successful property promotion activities.

Engagement with employees

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. This is achieved through regular contact by management with employees both over electronic communications and formal and informal communications within the individual clubs.

Financial risk management

The group has exposure to liquidity risk and interest rate risk. The objective of the group in managing liquidity risk is to ensure it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate. Cash flow is carefully managed on a daily basis which assists in the management of financial risk.

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 group, 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.

CROWN GOLF GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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.

Matters covered in the strategic report

The group has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Group's Strategic Report the Company's Strategic Report information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review, assessment of future outlook and a review of greenhouse gas emissions.

Disclosure of information to auditor

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

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

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

C Marshall

Director

Date: 22 September 2022

CROWN GOLF GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CROWN GOLF GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWN GOLF GROUP LIMITED FOR THE YEAR ENDED 30 JUNE 2021

Opinion

We have audited the financial statements of Crown Golf Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021, which comprise the group profit and loss account, the group and company balance sheets, the group statement of cash flows, the group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CROWN GOLF GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWN GOLF GROUP LIMITED (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CROWN GOLF GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWN GOLF GROUP LIMITED (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the golf course and property management sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

CROWN GOLF GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWN GOLF GROUP LIMITED (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Powell (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 22 September 2022

CROWN GOLF GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

	Note	Continuing operations 2021 £	Discontin'd operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	9,418,247	278,934	9,697,181	14,905,439	1,170,728	16,076,167
Cost of sales		(1,395,938)	(32,928)	(1,428,866)	(2,361,859)	(213,775)	(2,575,634)
Gross profit		8,022,309	246,006	8,268,315	12,543,580	956,953	13,500,533
Administrative expenses		(13,020,201)	5,472,446	(7,547,755)	(17,659,890)	(1,075,729)	(18,735,619)
Other operating income	5	995,705	7,960	1,003,665	875,796	35,650	911,446
Exceptional items	12	(338,333)	(1,857,392)	(2,195,725)	(6,814,903)	(59,477)	(6,874,380)
Operating loss	6	(4,340,520)	3,869,020	(471,500)	(11,055,417)	(142,603)	(11,198,020)
Interest payable and similar expenses	10	(1,988,046)	-	(1,988,046)	(155,237)	(4,021)	(159,258)
Loss before taxation		(6,328,566)	3,869,020	(2,459,546)	(11,210,654)	(146,624)	(11,357,278)
Tax on loss	11	(295,643)	374,208	78,565	(519,149)	24,576	(494,573)
Loss for the financial year		(6,032,923)	3,494,812	(2,538,111)	(10,691,505)	(171,200)	(10,862,705)
Loss for the year attributable to:							
Owners of the parent		(6,407,131)	3,869,020	(2,538,111)	(10,691,505)	(171,200)	(10,862,705)
		(6,407,131)	3,869,020	(2,538,111)	(10,691,505)	(171,200)	(10,862,705)

There are no items of other comprehensive income for either the year or the prior year other than the loss for the year. Accordingly, no statement of other comprehensive income has been presented.

CROWN GOLF GROUP LIMITED**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	13	29,697,163	34,221,909
		<u>29,697,163</u>	<u>34,221,909</u>
Current assets			
Stocks	15	156,912	328,594
Debtors	16	6,534,246	5,069,835
Cash at bank and in hand	17	3,073,805	1,281,349
		<u>9,764,963</u>	<u>6,679,778</u>
Creditors: amounts falling due within one year	18	(43,336,809)	(40,562,395)
Net current liabilities		<u>(33,571,846)</u>	<u>(33,882,617)</u>
Total assets less current liabilities		<u>(3,874,683)</u>	<u>339,292</u>
Creditors: amounts falling due after more than one year	19	(5,771,679)	(7,483,789)
Net liabilities		<u>(9,646,362)</u>	<u>(7,144,497)</u>
Capital and reserves			
Called up share capital	24	21,374,501	21,338,255
Profit and loss account	25	(31,020,863)	(28,482,752)
Total equity		<u>(9,646,362)</u>	<u>(7,144,497)</u>

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

C Marshall

Director

Date: 22 September 2022

The notes on pages 19 to 42 form part of these financial statements.

CROWN GOLF GROUP LIMITED**COMPANY BALANCE SHEET
AS AT 30 JUNE 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	13	90,904	166,411
Investments	14	1,227,682	1,227,682
		<u>1,318,586</u>	<u>1,394,093</u>
Current assets			
Debtors	16	24,437,570	24,562,870
Cash at bank and in hand	17	1,499,555	497,654
		<u>25,937,125</u>	<u>25,060,524</u>
Creditors: amounts falling due within one year		<u>(45,478,685)</u>	<u>(34,614,405)</u>
Net current liabilities		<u>(19,541,560)</u>	<u>(9,553,881)</u>
Total assets less current liabilities		<u>(18,222,974)</u>	<u>(8,159,788)</u>
Creditors: amounts falling due after more than one year		<u>(4,943,304)</u>	<u>(9,456,849)</u>
Net liabilities		<u>(23,166,278)</u>	<u>(17,616,637)</u>
Capital and reserves			
Called up share capital	24	21,374,501	21,338,255
Profit and loss account brought forward		(38,954,892)	1,264,362
Loss for the year		(5,585,887)	(40,219,254)
Profit and loss account carried forward		(44,540,779)	(38,954,892)
Total equity		<u>(23,166,278)</u>	<u>(17,616,637)</u>

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

C Marshall

Director

Date: 22 September 2022

The notes on pages 19 to 42 form part of these financial statements.

CROWN GOLF GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2019	21,338,255	(17,620,047)	3,718,208
Comprehensive loss for the year			
Loss for the financial year as restated (note 28)	-	(10,862,705)	(10,862,705)
Total comprehensive loss for the year	-	(10,862,705)	(10,862,705)
At 30 June and 1 July 2020	21,338,255	(28,482,752)	(7,144,497)
Comprehensive loss for the year			
Loss for the financial year	-	(2,538,111)	(2,538,111)
Total comprehensive loss for the year	-	(2,538,111)	(2,538,111)
Contributions by and distributions to owners			
Other share movements	36,246	-	36,246
Total transactions with owners	36,246	-	36,246
At 30 June 2021	<u>21,374,501</u>	<u>(31,020,863)</u>	<u>(9,646,362)</u>

CROWN GOLF GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2019	21,338,255	1,264,362	22,602,617
Comprehensive loss for the year			
Loss for the financial year	-	(40,219,254)	(40,219,254)
Total comprehensive loss for the year	-	(40,219,254)	(40,219,254)
At 30 June 2020 and 1 July 2020	21,338,255	(38,954,892)	(17,616,637)
Comprehensive loss for the year			
Loss for the financial year	-	(5,585,887)	(5,585,887)
Total comprehensive loss for the year	-	(5,585,887)	(5,585,887)
Contributions by and distributions to owners			
Other share movements	36,246	-	36,246
Total transactions with owners	36,246	-	36,246
At 30 June 2021	<u>21,374,501</u>	<u>(44,540,779)</u>	<u>(23,166,278)</u>

CROWN GOLF GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(2,538,111)	(10,862,705)
Adjustments for:		
Assets under construction - exceptional items	-	439,380
Depreciation of tangible assets	1,053,402	1,362,000
Loss on disposal of tangible assets	(5,812,160)	5,571,000
Interest paid	1,817,181	160,000
Taxation charge	(8,404)	(494,573)
Decrease in stocks	171,682	451,000
(Increase)/decrease in debtors	(1,588,195)	7,714,000
Increase/(decrease) in creditors	1,654,073	(3,679,000)
Increase in amounts owed to groups	186,321	644,000
Increase in amounts owed to participating interests	291,259	532,156
Net cash generated from operating activities	(4,772,952)	1,837,258
Cash flows from investing activities		
Purchase of tangible fixed assets	(815,016)	(1,002,000)
Sale of fixed asset investments	10,300,000	7,481,000
Net cash from investing activities	9,484,984	6,479,000
Cash flows from financing activities		
Repayment of loans	(1,998,776)	(7,124,000)
Repayment of finance leases	(171,684)	(37,000)
Movement in loans from other participating interests	-	1,390,000
Interest paid	(1,817,181)	(160,000)
Net cash used in financing activities	(3,987,641)	(5,931,000)
Net increase in cash and cash equivalents	724,391	2,385,258
Cash and cash equivalents at beginning of year	291,024	(2,094,234)
Cash and cash equivalents at the end of year	1,015,415	291,024
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,073,805	1,281,349
Bank overdrafts	(2,058,390)	(990,325)
	1,015,415	291,024

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Crown Golf Group Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Pine Ridge Golf Club, Old Bisley Road, Frimley, Camberley, Surrey, GU16 9NX.

The financial statements are presented in Sterling (£).

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings, with the exception of St Mellion Property Management Limited, made up to 30 June 2021. St Mellion Property Management Limited, a subsidiary undertaking by virtue of control, has been excluded from the consolidation as severe long-term restrictions hinder the exercise rights of the parent company over the subsidiary undertaking.

2.3 Going concern

The directors have considered the impact of the Covid-19 pandemic on the results of the group in the current and previous year, and up to the time of reporting.

The financial statements have been prepared on a going concern basis notwithstanding the fact that at 30 June 2021 the group had a deficiency on shareholders' funds. The group directors have received assurances of the continued support from the group's parent undertaking for the foreseeable future being a period of at least twelve months from the date the financial statements were approved. Therefore, the directors have continued to adopt the going concern basis.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Revenue

Turnover is derived from the provision of golf and ancillary facilities and represents membership fees and subscription income receivable in respect of the year. Turnover from membership fees for both golf and leisure members is initially deferred and subsequently recognised over the period that it relates.

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

Turnover from functions and conferences is deferred until the event takes place, at this point the turnover for the event is recognised including the release of the deferral.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is 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 profit or loss 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 consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Operating leases: the group as lessee

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

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

2.8 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

Current and deferred taxation (continued)

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.

2.10 Exceptional items

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

2.11 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% - 2.5% straight line
Leasehold property	-	2% straight line
Plant and machinery	-	15% - 33% straight line
Equipment, Fixtures and fittings	-	10% - 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.14 Financial instruments

The group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets 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 cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

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

Key accounting estimates made by the directors comprise:

A review of the need for an impairment when reporting the value of investments (note 2.12), stocks (note 2.13) and financial asset debtors (note 2.14). Impairment reviews are carried out by reviewing post year end transactions and, for fixed assets, advice from experts on the market value of the land and buildings owned.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. Turnover

All turnover arose within the United Kingdom and is attributable to the provision of golf and ancillary services.

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>1,003,665</u>	<u>911,446</u>

Government grants were received as part of the Coronavirus Job Retention Schemes, there are no unfulfilled conditions or other contingencies in relation to these grants receivable.

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,033,402	1,362,000
Operating lease - rent of property	275,903	1,349,000
Operating lease - other	170,003	192,864
Defined contribution pension cost	110,082	144,903
Government grants	(1,003,665)	(911,446)
	<u>(1,003,665)</u>	<u>(911,446)</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>77,000</u>	<u>70,000</u>

Fees payable to the group's auditor and its associates in respect of:

Audit-related assurance services	3,000	4,000
Taxation compliance services	38,000	35,000
Other services relating to taxation	-	10,000
Preparation of accounts	25,000	23,000
	<u>66,000</u>	<u>72,000</u>

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	5,367,090	8,524,859	666,465	78,000
Social security costs	500,749	586,265	124,010	11,500
Staff pension costs	110,082	144,903	26,542	-
	<u>5,977,921</u>	<u>9,256,027</u>	<u>817,017</u>	<u>89,500</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Administrative	60	80	12	-
Service	327	607	-	-
	<u>387</u>	<u>687</u>	<u>12</u>	<u>0</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	599,066	374,000
Contributions to defined contribution pension schemes	11,921	14,000
	<u>610,987</u>	<u>388,000</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration including benefits in kind of £295,305 (2020 - £255k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £9k).

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	104,280	155,773
Finance leases and hire purchase contracts	1,037	598
Other interest payable	1,882,729	2,887
	<u>1,988,046</u>	<u>159,258</u>

11. Taxation

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	78,565	(494,573)
Total deferred tax	<u>78,565</u>	<u>(494,573)</u>
Taxation on profit/(loss) on ordinary activities	<u>78,565</u>	<u>(494,573)</u>

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	As restated 2020 £
Loss on ordinary activities before tax	<u>(2,459,546)</u>	<u>(11,357,278)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(467,314)	(2,157,883)
Effects of:		
Expenses not deductible for tax purposes	1,101,924	636,256
Fixed asset timing differences and depreciation in excess of capital allowances	(994,045)	711,000
Income exempt from taxation	(753,714)	(158,000)
Changes to the rate on deferred taxation	(192,407)	(5,000)
Profit on disposal of assets ineligible for capital allowances	1,053,633	(38,000)
Changes in provision leading to a decrease in the tax charge	-	(5,000)
Unrelieved tax losses	-	797,000
Other differences leading to an increase (decrease) in the tax charge	253,115	(274,946)
Group relief	77,373	-
Total tax charge for the year	<u>78,565</u>	<u>(494,573)</u>

Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12. Exceptional items

	2021 £	As restated 2020 £
Write off of intercompany balances with related parties	-	326,000
Loss on sales of property and operations	-	5,802,501
Fees incurred regarding alternative use of assets	464,793	745,879
Sales commission fee	1,340,000	-
Guarantor fees	390,932	-
	<u>2,195,725</u>	<u>6,874,380</u>

During the year the group sold the trade and assets of 2 golf clubs. During the prior year the group sold the freehold property of 3 golf clubs, and leaseholds for a further 5 clubs. The group also surrendered a leasehold at one of their sites.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Assets under const'n* £	Total £
Cost						
At 1 July 2020 (as previously stated)	49,751,000	4,554,315	4,220,282	371,403	690,711	59,587,711
Prior Year Adjustment (note 29)	-	-	-	-	(439,380)	(439,380)
At 1 July 2020 (as restated)	49,751,000	4,554,315	4,220,282	371,403	251,331	59,148,331
Additions	72,040	214,515	282,920	51,177	194,364	815,016
Disposals	(6,763,227)	(659,322)	(264,038)	-	-	(7,686,587)
At 30 June 2021	43,059,813	4,109,508	4,239,164	422,580	445,695	52,276,760
Depreciation						
At 1 July 2020	16,953,900	4,309,097	3,435,263	228,162	-	24,926,422
Charge for the year	536,719	154,013	292,213	70,459	-	1,053,404
Disposals	(2,531,943)	(652,483)	(215,803)	-	-	(3,400,229)
At 30 June 2021	14,958,676	3,810,627	3,511,673	298,621	-	22,579,597
Net book value						
At 30 June 2021	<u>28,101,137</u>	<u>298,881</u>	<u>727,491</u>	<u>123,959</u>	<u>445,695</u>	<u>29,697,163</u>
At 30 June 2020 (as restated)	<u>32,797,100</u>	<u>245,218</u>	<u>785,019</u>	<u>143,241</u>	<u>251,331</u>	<u>34,221,909</u>

*Assets under construction.

Included within the net book value of fixed assets is £209k (2020: £283k) relating to assets held under hire purchase agreements. The depreciation charge for the year relating to these assets was £63k (2020: £115k).

Note 29 details the uncertainty of the ownership within the Crown Golf Group, of certain buildings. The uncertainty around the legal ownership of these assets will not result in a change to the fixed assets reported above.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 July 2020	47,507	78,245	240,704	366,456
Additions	-	23,000	5,232	28,232
At 30 June 2021	47,507	101,245	245,936	394,688
Depreciation				
At 1 July 2020	8,523	40,708	150,814	200,045
Charge for the year	1,014	39,566	63,159	103,739
At 30 June 2021	9,537	80,274	213,973	303,784
Net book value				
At 30 June 2021	37,970	20,971	31,963	90,904
At 30 June 2020	38,984	37,537	89,890	166,411

Included within the net book value of fixed assets is £16k (2020: £36k) relating to assets held under hire purchase agreements. The depreciation charge for the year relating to these assets was £20k (2020: £nil). The liabilities for these assets are met by another group entity.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14. Fixed asset investments

Company

**Investments in
subsidiary
companies
£**

Cost

At 1 July 2020

1,227,682

At 30 June 2021

1,227,682

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Crown Golf Property Limited	Ownership/letting of golf clubs	Ordinary	100%
Crown Golf Operations Limited*	Ownership/letting of golf clubs	Ordinary	100%
St Mellion Property Limited	Ownership of golf club and hotel	Ordinary	100%
St Mellion Operations Limited*	Operation of golf club and hotel	Ordinary	100%
Sunbury Golf Property Limited	Ownership of golf club	Ordinary	100%
Sunbury Operations Limited*	Operation of golf club	Ordinary	100%
South Winchester Property Limited	Ownership of golf club	Ordinary	100%
South Winchester Operations Limited*	Operation of golf club	Ordinary	100%
Wickham Park Property Limited	Ownership of golf club	Ordinary	100%
Wickham Park Operations Limited*	Operation of golf club	Ordinary	100%
Milford Golf Property Limited	Ownership of golf club	Ordinary	100%
Milford Operations Limited*	Operation of golf club	Ordinary	100%
Addington Court Property Limited	Ownership of golf club	Ordinary	100%
Addington Court Operations Limited*	Operation of golf club	Ordinary	100%
MWGC Leisure Limited*	Holding company	Ordinary	100%
Merrist Wood Golf Club Limited*	Operation of golf club	Ordinary	100%
Batchworth Park Property Limited	Ownership and operation of golf club	Ordinary	100%
Batchworth Park Operations Limited*	Dormant	Ordinary	100%
E P Golf Limited	Dormant	Ordinary	100%
Blue Mountain Golf Centre Limited*	Dormant	Ordinary	100%

Addington Court Golf Club*

Dormant

Ordinary	%
	100
Ordinary	%

The registered address of all subsidiaries is as disclosed on the company information page.

* Indicates the company is an indirect subsidiary.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Fixed asset investments (continued)

14.

Subsidiary undertakings (continued)

Control

Batchworth Golf Club is a private members club which is under the control of Crown Golf Group Limited, the entity's results have therefore been included in these financial statements.

The definition of 'control' can be split into two parts:

- Power over the financial and operating policies; and
- Benefits must be obtained from that power in order for a subsidiary relationship to exist

Directors have and are continuing to seek advice as to the proper meaning of "control" and whether or not it is wholly appropriate to consolidate the assets of the Club within the Group accounts. Disclosure of this point is deemed appropriate by the directors at this time although the Group accounts have not been altered on this basis

15. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	<u>156,912</u>	<u>328,594</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Amounts owed by group undertakings	-	-	1,664,666	24,264,973
Amounts owed by joint ventures and associated undertakings	56,834	131,108	21,580	109,296
	<u>56,834</u>	<u>131,108</u>	<u>1,686,246</u>	<u>24,374,269</u>
Due within one year				
Trade debtors	684,023	762,330	-	-
Amounts owed by group undertakings	104,854	-	22,687,530	-
Amounts owed by joint ventures and associated undertakings	3,480	-	-	-
Other debtors	4,611,706	3,380,197	3,595	538
Prepayments and accrued income	611,698	256,285	60,199	159,014
Tax recoverable	300	-	-	-
Deferred taxation	461,351	539,915	-	29,049
	<u>6,534,246</u>	<u>5,069,835</u>	<u>24,437,570</u>	<u>24,562,870</u>

Amounts owed by group undertakings and related parties falling due after more than one year are unsecured, interest free and repayable in 12 months and 1 day on a rolling basis.

Amounts owed by group undertakings and related parties falling due within one year are unsecured, interest free and repayable on demand (2020: repayable in one year and one day, unsecured and interest free).

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	3,073,805	1,281,349	1,499,555	497,654
Less: bank overdrafts	(2,058,390)	(990,325)	(667,305)	-
	<u>1,015,415</u>	<u>291,024</u>	<u>832,250</u>	<u>497,654</u>

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	2,058,390	990,325	667,305	-
Trade creditors	979,294	303,096	164,063	-
Amounts owed to group undertakings	34,283,722	34,171,675	42,523,481	34,171,675
Other taxation and social security	2,256,976	646,721	1,918,003	246,242
Obligations under finance lease and hire purchase contracts	78,822	172,449	5,234	-
Other creditors	858,684	1,243,497	80,637	-
Accruals and deferred income	2,820,921	3,034,632	119,962	196,488
	<u>43,336,809</u>	<u>40,562,395</u>	<u>45,478,685</u>	<u>34,614,405</u>

The bank overdraft is secured by an intercompany guarantee between members of the group, Pine Ridge Property Limited and Pine Ridge Operations Limited.

During the year interest was charged on the loan advanced by Broadbat Pty Ltd to the company of £1,881,024 (2020: £1,948,000). The balance outstanding at 30 June 2021, including interest is £32,552,240 (2020: £34,171,675).

The loan agreement with the group undertaking was renewed on 31 October 2021. Under the new agreement the loan is repayable in October 2024.

Amounts owed to group undertakings and related parties falling due within one year are unsecured, interest free and repayable on demand (2020: payable in one year and one day, unsecured and interest free).

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	3,000,000	4,998,776	3,000,000	4,998,776
Payments received on account	456,606	491,476	-	-
Net obligations under finance leases and hire purchase contracts	36,213	114,271	-	-
Amounts owed to group undertakings	104,854	-	-	2,801,769
Amounts owed to other participating interests	2,174,006	1,879,266	1,943,304	1,656,304
	<u>5,771,679</u>	<u>7,483,789</u>	<u>4,943,304</u>	<u>9,456,849</u>

Amounts owed to group undertakings and related parties were unsecured, interest free and repayable in 12 months and 1 day on a rolling basis. Consideration was to be given by the group undertakings to charge interest on the amounts owed during the next financial year.

The bank loan is secured - see note 20.

20. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due 1-2 years				
Bank loans	3,000,000	4,998,776	3,000,000	4,998,776
	<u>3,000,000</u>	<u>4,998,776</u>	<u>3,000,000</u>	<u>4,998,776</u>
	<u>3,000,000</u>	<u>4,998,776</u>	<u>3,000,000</u>	<u>4,998,776</u>

The bank loan bears interest at base rate plus a margin of 2.25%, as applicable, and is repayable in full in 2023.

The bank loan is secured by fixed and floating charges on the Group's properties and other assets.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	78,823	172,449
Between 1-5 years	36,213	114,271
	<u>115,036</u>	<u>286,720</u>

22. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>5,357,057</u>	<u>4,273,635</u>	<u>24,377,371</u>	<u>24,533,821</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(44,751,417)</u>	<u>(45,105,489)</u>	<u>(48,498,436)</u>	<u>(43,825,013)</u>

Financial assets measured at fair value through profit or loss comprise of trade debtors, amounts owed by group undertakings, amounts owed by associated undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed by group undertakings, amounts owed by participating interests, bank loans, bank overdrafts, accruals and other creditors.

23. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	539,915	45,343
Charged to profit or loss	(78,565)	494,572
At end of year	<u>461,350</u>	<u>539,915</u>

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

23. Deferred taxation (continued)

Company

	2021 £	2020 £
At beginning of year	29,049	1,504
Charged to profit or loss	(29,049)	27,545
At end of year	-	29,049

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Tax losses carried forward	<u>461,350</u>	<u>539,915</u>	<u>-</u>	<u>29,049</u>

24. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
21,374,501 (2020 - 21,338,255) Ordinary shares of £1 each	<u>21,374,501</u>	<u>21,338,255</u>

In 2013 21,374,500 shares were issued to the parent company in a debt to equity swap arrangement, the shares were issued at nominal value of £21,374,500 less share issue expenses of £36,246. The shares have been grossed up in the current year as reflect the full nominal value of the shares.

25. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

26. Analysis of net debt

	At 1 July 2020	Cash flows	Acquisition and disposal of subsidiaries	At 30 June 2021
	£	£	£	£
Cash at bank and in hand	1,281,349	(9,512,077)	10,300,000	2,069,272
Bank overdrafts	(990,325)	(1,068,065)	-	(2,058,390)
Debt due after 1 year	(4,998,776)	1,998,776	-	(3,000,000)
Finance leases	(286,720)	181,082	-	(105,638)
	<u>(4,994,472)</u>	<u>(8,400,284)</u>	<u>10,300,000</u>	<u>(3,094,756)</u>

27. Discontinued operations

On 25 September 2020 the trade and assets of Merrist Wood Golf Club Limited were sold to a third party. On 28 May 2021 the trade and assets of South Winchester Property Limited were sold to a third party, the profit on disposal below includes both of these transactions.

	£
Cash proceeds	10,300,000
	<u>10,300,000</u>
Net assets disposed of:	
Tangible fixed assets	(4,282,761)
Costs of disposal	(204,854)
	<u>4,487,615</u>
Profit on disposal before tax	<u>(5,812,385)</u>

The net inflow of cash in respect of the sale of Merrist Wood Golf Club and South Winchester Property Limited were as follows:

	£
Cash consideration	10,300,000
Net inflow of cash	<u>10,300,000</u>

Excluded from above is a future amount (overage) recoverable from the buying of the trade and assets of South Winchester Property Limited if certain planning hurdles are achieved.

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

28. Prior year adjustment

As part of a review by management and the directors of the group during the year it was deemed appropriate for the assets under construction reported in prior years as tangible fixed assets, where projects were not proceeding to be reported as exceptional costs. The costs comprise professional fees incurred under a review of alternative use for the land owned by the group. The directors believe that this classification of these costs more accurately reflects the substance of the transactions undertaken by the group. The prior year comparatives have been restated to reflect this.

As a result of the correction of this error, the professional fees incurred, reported as exceptional costs due their quantum, reported in the year ended 30 June 2020 have increased by £439,380 and tangible fixed assets (assets under construction) reported at the same date have decreased to £251,331 (see note 13). No depreciation was provided in respect of these assets, so no adjustment is required to the depreciation provision.

These transactions have a no impact on the corporate tax liabilities reported in the financial statements. The overall impact of these adjustments is a decrease of £439,380 to the result after taxation reported for the year ended 30 June 2020 and the profit and loss account brought forward at 1 July 2020.

29. Ownership of fixed assets

The consolidated accounts include in fixed assets the freehold land from which the Batchworth Park Golf Club ("the Club") operates as well as the clubhouse and course that have been built on this land.

The freehold land is owned by the Group subsidiary Batchworth Park Property Limited ("BPPL"). The Club reports in the Club accounts, as a fixed asset, the clubhouse and course that has been built on the land. The Club accounts are consolidated in these Group accounts.

There have been significant investigations aimed at identifying the true owner, within the Crown Golf Group, of the clubhouse and course and, despite the investigations, a conclusive answer has not yet been forthcoming. If the lease on the land from which the Club operates is terminated, the assets built on land owned by BPPL will transfer into the ownership of BPPL from the Club.

Until the uncertainty surrounding the ownership of these assets is resolved the assets will continue to be excluded from the accounts of the group subsidiary, BPPL, and reported in the Club accounts.

The uncertainty around the legal ownership of these assets will not result in a change to the fixed assets reported in the Group accounts as all of the assets of the Club and BPPL are reported in the Group consolidated account on the basis that the Crown Golf Group control the Club.

30. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £110k (2020: £145k).

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

31. Commitments under operating leases

At 30 June 2021 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Land and Buildings		
Not later than 1 year	239,000	232,000
Later than 1 year and not later than 5 years	955,000	927,000
Later than 5 years	18,038,000	4,478,000
	19,232,000	5,637,000
	Group 2021 £	Group 2020 £
Other operating leases		
Not later than 1 year	157,000	124,000
Later than 1 year and not later than 5 years	118,000	40,000
	275,000	164,000

The company had no operating lease commitments at 30 June 2021 (2020: £nil).

CROWN GOLF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

32. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with (other) related parties are as follows:

Relationship	Transaction	Amount	Amount due (to)/from related parties
			2021
			2021
		£	£
Broadbat Pty Limited	Intercompany loan	1,619,435	(32,552,240)
	Sales commission and guarantee fees	(1,731,482)	(1,731,482)
Pine Ridge Property Limited	Intercompany loan	287,000	(1,592,265)
	Intercompany trade	(451,502)	(349,872)
Pine Ridge Operations Limited	Intercompany trade	96,765	(1,780,173)
St Mellion Property Management Limited	Intercompany trade	(10,797)	16,354

The loan agreement with the group undertaking was renewed on 31 October 2021. Under the new agreement the loan is repayable in October 2024. Amounts owed to group undertakings and related parties are unsecured, interest free and repayable in 12 months and 1 day on a rolling basis.

33. Controlling party

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 in Australia.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.