

Shropshire County Leisure Limited

Directors' Report and Financial Statements

Year Ended

31 December 2021

Company Number 03371466

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Shropshire County Leisure Limited

Company Information

Directors	C M Mayes J Conlan
Company secretary	J Conlan
Registered number	03371466
Registered office	Burhill Burwood Road Walton-on-Thames Surrey KT12 4BX
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

Shropshire County Leisure Limited

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Shropshire County Leisure Limited

Directors' Report For the Year Ended 31 December 2021

The Directors present their report together with the audited financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' 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 elected to prepare the 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 Company and of the profit or loss of the Company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud.

Principal activity

The Company's principal activity during the year is the provision of golf and leisure services.

Directors

The Directors who served during the year were:

C M Mayes
J Conlan

Shropshire County Leisure Limited

Directors' Report (continued) For the Year Ended 31 December 2021

Coronavirus

During the year ended 31st December 2021, as in 2020 the world was gripped by the COVID-19 virus pandemic. In the UK, this resulted in a lockdown being imposed on business and social activity by the Government. This caused severe disruption to business activity with major adverse impact being experienced in the hospitality sector.

As a consequence of the COVID-19 virus and the impact of UK Government measures to mitigate its effect, the Company's trading business was closed from January to March 2021.

During the lockdown time, a high proportion of the Company's retained employees who had no work to do were furloughed and funded by the UK Government Job Replacement Scheme during business closure.

Action was taken and will continue to be taken to enable the business to mitigate the effects of the COVID-19 virus crisis. The Company is a subsidiary of Burhill Group Limited and the group's bank facilities with HSBC will be utilised to ensure all necessary funding requirements are met until the crisis finally ends.

With the progress of the vaccination programme and the easing of lockdown restrictions, in full compliance with HMG COVID-19 guidelines and the HMG specified dates, the business outlook is now more positive. This is expected to continue unless there is further disruption as a result of new COVID-19 variants resulting the need for further restrictions.

Going concern

The financial statements have been prepared on a going concern basis. Although the Company's Balance Sheet indicates a net current liability position of £746,698 (2020 - £788,939), the going concern basis has been supported by a letter of financial support from the parent company, Burhill Group Limited, whereby the Company's holding company will continue to provide financial support and resources for the Company to continue trading in the foreseeable future. Further details are set out in note 2.3 of the financial statements.

Brexit

Following the end of the Brexit Transition Period on 31 December 2020, the directors have closely monitored the impact of Brexit on the Company. There has been no significant impact on trading to date, although staff availability within hospitality has been affected. The directors continue to closely monitor ongoing developments.

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'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's auditor is aware of that information.

Shropshire County Leisure Limited

Directors' Report (continued) For the Year Ended 31 December 2021

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 August 2022 and signed on its behalf.



J Conlan FCA
Director

Shropshire County Leisure Limited

Independent Auditor's Report to the Members of Shropshire County Leisure Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Shropshire County Leisure Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 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.

Shropshire County Leisure Limited

Independent Auditor's Report to the Members of Shropshire County Leisure Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Shropshire County Leisure Limited

Independent Auditor's Report to the Members of Shropshire County Leisure Limited (continued)

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 financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of legal and regulatory framework through our accumulated knowledge and consideration of sector information that is applicable to the Group. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework (including but not limited to accounting standards in conformity with the requirements of the Companies Act 2006), regulations set by the Food Standards Agency (FSA) given the Group's Food and Beverage stream, and the Health and Safety Executive (HSE), Britain's national regulator for workplace health and safety under The Health and Safety at Work Act 1974 given the nature of the work performed by staff. Other key regulatory frameworks applicable are The Disabilities Act 2004, The Equal Opportunities Act 2010, the Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We have gained an understanding as to how the Burhill Group are complying with those legal and regulatory frameworks through enquiries of management and members of the Board responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes.
- The relevant laws and regulations identified, in addition to fraud risks and how and where this may occur were communicated to the audit engagement team who remained alert to any indications of fraud or non-compliance with laws and regulation throughout the audit.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper revenue recognition. In addressing the risk of fraud including the management override of controls, and improper revenue recognition we tested the appropriateness of journal entries and other adjustments including material revenue journals posted manually, journals including key words and journals posted by user; reviewed application of assessing whether the judgements made in making accounting estimates are indicative of a potential bias; performing substantive tests and tests of control over revenue and application of revenue recognition, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Shropshire County Leisure Limited

Independent Auditor's Report to the Members of Shropshire County Leisure Limited (continued)

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.

DocuSigned by:

James Fearon

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James Fearon (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date: 15 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Shropshire County Leisure Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	1,236,682	760,381
Cost of sales		(874,930)	(698,524)
Gross profit		361,752	61,857
Administrative expenses		(426,690)	(355,899)
Other operating income	5	83,280	121,344
Operating profit/(loss)	6	18,342	(172,698)
Amounts written off investments	11	(100)	-
Profit/(loss) before tax		18,242	(172,698)
Tax on profit/(loss)	9	-	-
Profit/(loss) for the financial year		18,242	(172,698)

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 11 to 21 form part of these financial statements.

Shropshire County Leisure Limited

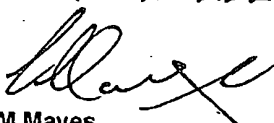
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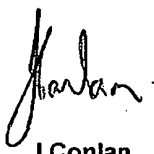
Balance Sheet As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	2,619,005	2,642,904
Investments	11	-	100
		<u>2,619,005</u>	<u>2,643,004</u>
Current assets			
Stocks	12	55,607	45,698
Debtors: amounts falling due within one year	13	19,713	24,603
Cash at bank and in hand	14	93,701	78,377
		<u>169,021</u>	<u>148,678</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(915,719)	(937,617)
		<u>(746,698)</u>	<u>(788,939)</u>
Net current liabilities			
		<u>1,872,307</u>	<u>1,854,065</u>
Net assets			
		<u>1,872,307</u>	<u>1,854,065</u>
Capital and reserves			
Called up share capital	16	150,000	150,000
Capital redemption reserve	17	500,000	500,000
Profit and loss account	17	1,222,307	1,204,065
		<u>1,872,307</u>	<u>1,854,065</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2022


C M Mayes
Director


J Conlan
Director

The notes on pages 11 to 21 form part of these financial statements.

Shropshire County Leisure Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	150,000	500,000	1,204,065	1,854,065
Comprehensive income for the year				
Profit for the year	-	-	18,242	18,242
Total comprehensive income for the year	-	-	18,242	18,242
At 31 December 2021	150,000	500,000	1,222,307	1,872,307

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	150,000	500,000	1,376,763	2,026,763
Comprehensive loss for the year				
Loss for the year	-	-	(172,698)	(172,698)
Total comprehensive loss for the year	-	-	(172,698)	(172,698)
At 31 December 2020	150,000	500,000	1,204,065	1,854,065

The notes on pages 11 to 21 form part of these financial statements.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Shropshire County Leisure Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Burhill Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

In preparing the financial statements the Directors are required to assess the Company's ability to continue to trade as a going concern for the foreseeable future.

In undertaking this assessment, the Directors have given due consideration to the Company's banking facilities, historical and current trading, together with the forward-looking projections.

The Company has prepared detailed cashflow forecasts and undertaken scenario modelling given the ongoing COVID-19 pandemic.

Although the Company's Balance Sheet indicates a net current liability position of £746,698 (2020 - £788,939) the going concern basis has been supported by a letter of financial support from the parent company, Burhill Group Limited. The group has significant financial resources available and is in a strong position to deal with the economic impact of COVID-19, it is not possible at this stage to determine with full certainty the impact on the Company, its customers, employees and suppliers until the crisis ends. If there is a continuing lack of revenue or closure of the business, there are a range of steps the Company can take to mitigate the impact. The process of mitigation has been in progress since the initial lockdown in March 2020.

The parent company, Burhill Group Limited has drawn contracted a £10m revolving credit loan facility with HSBC Plc, thereby securing sufficient free cash holdings to manage through the COVID-19 crisis. It is not expected that the Group will breach its banking covenants in the foreseeable future.

Through use of the Group's banking facilities, Burhill Group Limited will continue to provide whatever financial support is required by the Company for the foreseeable future.

The Directors have reviewed the Group and Company cash flow forecasts and based on their best assessment therefore believe that the Group and the Company will have sufficient financing in place to ensure cash flow requirements are satisfied for at least the next twelve months. As such, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Consequently, the financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

2.4 Exemption from preparing consolidated financial statements

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent Burhill Group Limited. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

2.5 Turnover

Turnover represents the gross receipts for the provision and management of golf and leisure facilities less value added tax. Green fees and golf and leisure turnover are recognised on the day of sale. Membership fee turnover is recognised over the life of the membership.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

The estimated useful lives range as follows:

Course construction and buildings	- 25 to 50 years straight line per annum
Plant, machinery and equipment	- 5 to 10 years straight line per annum
Irrigation equipment	- 10 to 20 years straight line per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition and is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Debtors

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

2.11 Cash and cash equivalents

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

2.12 Financial instruments

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

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

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

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

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

2.13 Creditors

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

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.14 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 the statement of Comprehensive Income 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 Statement of Comprehensive Income in the same period as the related expenditure

2.15 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Statement of Comprehensive Income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.17 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 10)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Government grants receivable	83,280	121,344

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	149,817	124,850
Fees payable to the Company's auditor for:		
- The audit of the Company's annual financial statements	3,404	2,601
- Taxation compliance services	977	609
Defined contribution pension cost	13,963	14,265

7. Employees

	2021 £	2020 £
Wages and salaries	541,820	496,477
Social security costs	38,019	35,454
Cost of defined contribution scheme	13,963	14,265
	593,802	546,196

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

	2021 No.	2020 No.
Office and management	4	4
Outdoor, leisure and catering staff	27	30
	31	34

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Directors' remuneration

No director received any emoluments during the current year (2020 - £Nil).

9. Taxation

	2021 £	2020 £
Current tax on profit/(loss) for the year	-	-
Total current tax	-	-
Taxation on profit/(loss) on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	18,242	(172,698)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	3,466	(32,813)
Effects of:		
Income not taxable for tax purposes	1,124	(1,040)
Capital allowances for year in excess of depreciation	16,882	10,752
Deferred tax not recognised	58,804	19,739
Effect of change in tax rates	(80,276)	(30,335)
Group relief surrendered	-	33,697
Total tax charge for the year	-	-

Factors that may affect future tax charges

There are unutilised tax losses of £1,641,509 (2020 - £1,641,509).

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2021	2,431,664	2,145,439	4,577,103
Additions	-	125,918	125,918
At 31 December 2021	<u>2,431,664</u>	<u>2,271,357</u>	<u>4,703,021</u>
Depreciation			
At 1 January 2021	512,032	1,422,167	1,934,199
Charge for the year	26,898	122,919	149,817
At 31 December 2021	<u>538,930</u>	<u>1,545,086</u>	<u>2,084,016</u>
Net book value			
At 31 December 2021	<u>1,892,734</u>	<u>726,271</u>	<u>2,619,005</u>
At 31 December 2020	<u>1,919,632</u>	<u>723,272</u>	<u>2,642,904</u>

Included in freehold land and buildings is land not depreciated of £1,020,000 (2020 - £1,020,000).

11. Fixed asset investments

	Investments in subsidiary companies £
At 1 January 2021	100
Disposals	(100)
At 31 December 2021	<u>-</u>

The Shropshire Limited and Rooks Shropshire Limited were dissolved on 16 March 2021.

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

12. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>55,607</u>	<u>45,698</u>

Stock is stated at the lower of cost and net realisable value.

13. Debtors

	2021 £	2020 £
Trade debtors	3,303	2,858
Amounts owed by group undertakings	400	-
Other debtors	1,250	7,396
Prepayments and accrued income	14,760	14,349
	<u>19,713</u>	<u>24,603</u>

14. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>93,701</u>	<u>78,377</u>

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	31,806	16,752
Amounts owed to group undertakings	553,813	580,768
Taxation and social security	17,222	9,790
Other creditors	170,209	206,536
Accruals and deferred income	142,669	123,771
	<u>915,719</u>	<u>937,617</u>

Shropshire County Leisure Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
150,000 ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

17. Reserves

The Company's reserves are as follows:

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £13,963 (2020 - £14,265). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

19. Related party transactions

The Company has taken advantage of the exemption available under FRS 102 s.33.1A and not disclosed transactions with other wholly owned companies of the group headed by Burhill Group Limited, as the Company is itself a wholly owned subsidiary of Burhill Group Limited.

20. Controlling party

The Company is a subsidiary of Burhill Golf and Leisure Limited with Burhill Group Limited as the ultimate parent company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Burhill Group Limited. The consolidated accounts of this Company are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.

There is no ultimate controlling party.