

Registered number: 04994127

The Holbrook Club

Unaudited

Directors' Report and Financial Statements

For the Year Ended 31 December 2019

The Holbrook Club

Company Information

Directors

T Chapman
P V Finn
I M S Etherington (appointed 1 January 2020)
C A Peters (appointed 16 September 2019)
D A Preston (appointed 19 October 2020)
J Booth (appointed 23 October 2020)
C Christensen (appointed 23 October 2020)
D Gill (appointed 23 October 2020)
M Jeremiah (appointed 23 October 2020)

Registered number

04994127

Registered office

Club Office
North Heath Lane
Horsham
West Sussex
RH12 5PJ

The Holbrook Club

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The directors who served during the year and who were appointed post year end were:

T Chapman
P V Finn
J F Maher (resigned 17 August 2019)
A Phillips (resigned 17 August 2019)
S J Hockley (appointed 23 August 2019, resigned 31 December 2019)
G Hockley (resigned 31 December 2019)
A Tucker (resigned 7 February 2020)
B King (resigned 22 September 2020)
L Brocki (resigned 22 September 2020)
C Charman (appointed 28 February 2020, resigned 2 October 2020)
S G Charman (resigned 2 October 2020)
C A Peters (appointed 16 September 2019)
I M S Etherington (appointed 1 January 2020)
D A Preston (appointed 19 October 2020)
J Booth (appointed 23 October 2020)
C Christensen (appointed 23 October 2020)
M Jeremiah (appointed 23 October 2020)

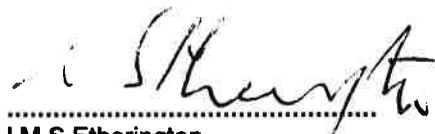
Going concern

The directors recognise that action needs to be taken to improve the company's financial position due to a net deficit for the year again being reported and the lack of available reserves. The board of directors has considered potential options available and are confident that they can find a solution to enable the company to continue to operate as a going concern. The directors have considered the level of reserves held, the expected level of income and expenditure for the 12 months from authorising these financial statements and the plans for the company for the future. Taking all these factors into account, the directors consider it reasonable to prepare the financial statements on a going concern basis.

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 and signed on its behalf.



I M S Etherington
Director

Date: 17/12/20

The Holbrook Club

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The Holbrook Club

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Statutory Financial Statements of The Holbrook Club for the Year Ended 31 December 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Holbrook Club for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of The Holbrook Club, as a body, in accordance with the terms of our engagement letter dated 30 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of The Holbrook Club and state those matters that we have agreed to state to the Board of Directors of The Holbrook Club, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Holbrook Club and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Holbrook Club has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of The Holbrook Club. You consider that The Holbrook Club is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of The Holbrook Club. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

We draw your attention to note 2.2 and 9 in the financial statements which explain the impact of Coronavirus on the company post year end and the directors' conclusion regarding the appropriateness of the going concern basis of accounting.

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants

**Springfield House
Springfield Road
Horsham**

**West Sussex
RH12 2RG**

Date: 23 December 2020

The Holbrook Club

Statement of Income and Retained Earnings For the Year Ended 31 December 2019

	2019 £	2018 £
Turnover	888,073	915,938
Cost of sales	(400,515)	(445,812)
Gross profit	487,558	470,126
Administrative expenses	(604,597)	(609,486)
Other operating income	31,072	26,072
Operating loss	(85,967)	(113,288)
Interest receivable and similar income	314	21
Loss before tax	(85,653)	(113,267)
Loss after tax	(85,653)	(113,267)
Retained earnings at the beginning of the year	(296,503)	(183,236)
	(296,503)	(183,236)
Loss for the year	(85,653)	(113,267)
Retained earnings at the end of the year	(382,156)	(296,503)

The notes on pages 5 to 9 form part of these financial statements.

The Holbrook Club
Registered number: 04994127

Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	110,906	126,632
Current assets			
Stocks		9,198	11,121
Debtors: amounts falling due within one year	5	36,293	54,985
Cash at bank and in hand		68,464	106,706
		<u>113,955</u>	<u>172,812</u>
Creditors: amounts falling due within one year	6	(153,126)	(142,056)
Net current (liabilities)/assets		(39,171)	30,756
Net assets		71,735	157,388
Capital and reserves			
Other reserves		453,891	453,891
Profit and loss account		(382,156)	(296,503)
		<u>71,735</u>	<u>157,388</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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



I M S Etherington
 Director

Date: 17/12/20

The notes on pages 5 to 9 form part of these financial statements.

The Holbrook Club

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

The company is a private company limited by guarantee incorporated in England and Wales.

The address of its registered office and principal place of business is:

Club Office
North Heath Lane
Horsham
West Sussex
RH12 5PJ

The principal activity of the company is that of a private members' sports club.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are prepared in Sterling, which is the functional currency of the company, and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The Coronavirus (COVID-19) pandemic has developed rapidly in 2020. The actions taken by the UK Government to reduce the spread of COVID-19, by way of national lockdown restrictions which saw the closure of gyms, leisure and hospitality venues, has had a detrimental impact on the company's results post year end.

The directors have considered the level of cash reserves held, the expected level of income and expenditure for the 12 month period from authorising these financial statements and their plans for the company for the future. Taking all of these factors into account, notwithstanding the ongoing economic uncertainty that COVID-19 presents, the directors consider that the company can continue in operational existence for the foreseeable future and it is therefore reasonable to prepare the financial statements on a going concern basis.

2.3 Revenue

Turnover comprises the fair value of the consideration received or receivable in respect of subscriptions, guest fees and pay as you go fees, meeting room and facilities hire and miscellaneous income plus income from the bar, kitchen and fruit machine activities in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Amounts invoiced and relating to future periods are included as deferred income in other creditors and released to profit or loss in the period to which they relate.

The Holbrook Club

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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:

Plant and machinery	-	10% - 50% straight line
Motor vehicles	-	33% straight line
Other fixed assets	-	5% - 10% 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.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.6 Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.7 Financial instruments

Classification

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

2. Accounting policies (continued)

2.8 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement to the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.9 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

2.10 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for services, the excess is recognised as a prepayment.

2.11 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2.12 Other employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2018 - 47).

The Holbrook Club

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2019	403,464	4,065	208,326	615,855
Additions	35,281	-	-	35,281
At 31 December 2019	<u>438,745</u>	<u>4,065</u>	<u>208,326</u>	<u>651,136</u>
Depreciation				
At 1 January 2019	334,158	4,065	151,000	489,223
Charge for the year on owned assets	20,107	-	30,900	51,007
At 31 December 2019	<u>354,265</u>	<u>4,065</u>	<u>181,900</u>	<u>540,230</u>
Net book value				
At 31 December 2019	<u>84,480</u>	<u>-</u>	<u>26,426</u>	<u>110,906</u>
At 31 December 2018	<u>69,306</u>	<u>-</u>	<u>57,326</u>	<u>126,632</u>

5. Debtors

	2019 £	2018 £
Trade debtors	8,721	13,804
Prepayments and accrued income	27,572	41,181
	<u>36,293</u>	<u>54,985</u>

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	54,034	32,515
Other taxation and social security	19,512	16,057
Other creditors	14,023	14,462
Accruals and deferred income	65,557	79,022
	<u>153,126</u>	<u>142,056</u>

The Holbrook Club

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

8. Other financial commitments

The total amount of financial commitments not included in the balance sheet is £224,491 (2018 - £297,462). Of this amount £180,000 (2018 - £240,000) is in respect of the club's property lease which is payable over the next three years until the first break clause on 22 December 2022.

9. Post balance sheet events

Since the year end, the UK and the world has been impacted by the spread of the global COVID-19 pandemic. The UK Government imposed a national lockdown on 23 March 2020 which saw all gyms and clubs close their doors until 25 July 2020. A second national lockdown was implemented between 5 November 2020 to 2 December 2020. The leisure sector has been impacted heavily by these lockdown restrictions and this, in turn, has had a negative impact on the company's performance post year end. The entity has taken advantage of the various Government support schemes available to it during this difficult period of trading.

The Holbrook Club

Detailed profit and loss account For the Year Ended 31 December 2019

	2019 £	2018 £
Turnover	888,073	915,938
Cost Of Sales	(400,515)	(445,812)
Gross profit	<u>487,558</u>	<u>470,126</u>
Gross profit %	54.9 %	51.3 %
Other operating income	31,072	26,072
Less: overheads		
Administration expenses	(233,795)	(262,972)
Establishment expenses	(370,802)	(346,514)
Operating loss	<u>(85,967)</u>	<u>(113,288)</u>
Interest receivable	314	21
Loss for the year	<u>(85,653)</u>	<u>(113,267)</u>

The Holbrook Club

Schedule to the Detailed Accounts For the Year Ended 31 December 2019

	2019 £	2018 £
Turnover		
Subscriptions	80,239	100,719
Guests and pay as you go fees	25,589	32,697
Sports equipment income	8	20
Bar income	273,941	291,952
Kitchen sales	101,215	102,026
Facilities income	92,600	108,566
Fruit machines	440	533
Club Plus - Gymnasium	216,963	236,316
Miscellaneous classes income	83,506	20,680
Miscellaneous reception income	130	1,286
Misc entertainment income	13,442	21,143
	<u>888,073</u>	<u>915,938</u>
	2019 £	2018 £
Cost of sales		
Opening stocks - finished goods	11,120	7,918
Closing stocks - finished goods	(9,198)	(11,120)
Bar	175,384	224,075
Kitchen	94,676	96,085
Fruit machines	2,304	2,710
Club Plus	87,654	97,639
Entertainment	20,823	25,809
Miscellaneous classes expenditure	17,014	1,362
Sports equipment purchases	738	1,334
	<u>400,515</u>	<u>445,812</u>
	2019 £	2018 £
Other operating income		
Other operating income	19,072	19,072
Sundry income	12,000	7,000
	<u>31,072</u>	<u>26,072</u>

The Holbrook Club

**Schedule to the Detailed Accounts
For the Year Ended 31 December 2019**

	2019 £	2018 £
Administration expenses		
Staff life insurance	1,871	1,830
Staff training	4,196	3,665
Staff welfare	863	1,238
Motor running costs	1,126	2,559
Staff entertainment	1,842	1,320
Hotels, travel and subsistence	7	-
Consultancy	-	3,378
Printing and stationery	21	130
Telephone and fax	5,482	7,714
General office expenses	44,358	46,896
Advertising and promotion	27,751	31,750
Legal and professional	3,600	8,852
Bookkeeping and accounts	48,045	46,881
Accountancy fees	4,800	3,829
Bank charges	4,333	3,511
Bad debts	(17)	80
Sundry expenses	(20)	-
Depreciation - plant and machinery	51,007	59,759
Profit/loss on sale of tangible assets	-	(44)
Reception costs	27,900	33,512
Office photocopier costs	1,909	1,464
Human resources	4,721	4,648
	233,795	262,972
	2019	2018
	£	£
Establishment		
Rent - non-operating leases	55,400	55,672
Rates	27,052	25,221
Light and heat	40,432	37,156
Insurances	11,253	11,269
Wages and salaries	124,761	80,318
Pavilion	24,650	17,758
Ground	86,159	116,472
Flat rental expenses	1,095	2,648
	370,802	346,514

The Holbrook Club

**Schedule to the Detailed Accounts
For the Year Ended 31 December 2019**

	2019	2018
	£	£
Interest receivable		
Bank interest receivable	314	21
	314	21