

Company registration number 00125831 (England and Wales)

**THE FRILFORD HEATH GOLF CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# THE FRILFORD HEATH GOLF CLUB LIMITED

## COMPANY INFORMATION

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**Directors** R Stebbings  
S Russell  
P Rivers  
K Murray (Chairman)

**Secretary** Ms S Tang

**Company number** 00125831

**Registered office and business address** The Frilford Heath Golf Club

Abingdon  
Oxfordshire  
OX13 5NW

**Auditor** Critchleys Audit LLP  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

**Bankers** Barclays Bank plc  
2 The Square  
Abingdon  
Oxfordshire  
OX14 5AS

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# THE FRILFORD HEATH GOLF CLUB LIMITED

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# THE FRILFORD HEATH GOLF CLUB LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

The profit and loss account is set out on page 9.

The 2022 golf year was uninterrupted by Covid-19, and so we had a more normal pattern of trade. As is usual, we did lose a number of members at the Spring 2022 renewal. However, we were able to attract new members to replace the losses. Indeed, we continued to attract new members throughout the year, so finished the year with 1,390 playing members, an increase of 57 on the previous year. Our membership income increased by 12.7% due to the extra members, a subscription increase and higher joining fees.

Our revenues in the clubhouse and the golf shop increased sharply over the previous year, when these operations were closed for the first 3 months. Income from visitors to Frilford Heath was also very positive. Our overall turnover increased by 21%. Whilst we did benefit from reduced business rates, we received no other Government support or similar income during the year.

Our overheads increased by 17% as a result of a full year of trading activities, and the planned increased investment in our greenkeeping operations and equipment. During the year we completed the upgrade of our reservoir and the new irrigation system for the Blue course. As mentioned last year, these 2 investments have been funded through a committed 10 year Hire Purchase facility, which involves annual payments of £163,200 covering interest and capital repayments.

Our operating profit for the year was £333,431 lower than the previous year due to our increased investment and the absence of Government support.

We were again able to pay a dividend to shareholders of 10p per share in November.

Having survived the Global Pandemic, we continue to be presented with a number of major challenges, including significantly rising costs, particularly fuel, energy and food, and staff recruitment and retention challenges.

On the strength of our membership levels and other encouraging indicators including our membership waiting list, we have pressed ahead with more of the essential investment required by the business. We await the third and final phase of our new leased greenkeeping equipment, and hope it will all arrive in time for the current golf season. We have now rebuilt half of the bunkers on our Green Course, and will complete that project over the next Winter. In January 2023 we started a major refurbishment of the clubhouse bar and restaurant, and this was completed in late March. This project was much needed, and gives us an improved facility to grow our bar and catering income and improve our satisfaction ratings with members and visitors.

The Board continues to work with the management team to create and implement the plans necessary to be the leading club for members within a 40-mile radius and become one of the UK's top golf destinations. We will continue to make significant investments in our staff and facilities over the next 3 to 5 years. This will include new irrigation systems on both our Red and Green courses as well as further improvements to our clubhouse facilities.

We have come through a difficult period in good shape, due to the strength and flexibility of our team and our plans. We are grateful for the support from all our shareholders and we look forward to another successful year ahead.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Principal risks and uncertainties**

The main risk to which the company is exposed is a decrease in membership income, particularly in the current economic climate. As an operator in the golf industry, the company is susceptible to economic downturn and the weather.

The directors however continue to take steps to ensure that the quality of its heathland courses is maintained to the highest standards so that golfers, whether they be members or visitors, continue to wish to play at Frilford Heath.

Another significant risk, experienced in the year, is the possible disruption to golf and related social activities caused by unexpected events. This was successfully mitigated by having annual subscriptions payable in advance, early management actions and close communication with members and customers.

On behalf of the board

K Murray (Chairman)  
**Director**

21 April 2023

# THE FRILFORD HEATH GOLF CLUB LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company continued to be that of running Frilford Heath Golf Club.

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £97,200. The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Stebbings  
S Russell  
P Rivers  
K Murray (Chairman)

In accordance with the Articles of Russell Stebbings will retire from the board and, being eligible, will stand for reappointment at the forthcoming Annual General Meeting.

#### Financial instruments

##### *Objectives and policies*

The company faces a number of risks and uncertainties and the directors believe that the key business risk is a decrease in membership income. In view of this risk and uncertainty, the directors are aware that the development of the company may be affected by factors out of their control.

##### *Price risk, credit risk, liquidity risk and cash flow risk*

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in Sterling. The company does not enter into any hedging transactions.

#### Auditor

In accordance with the company's articles, a resolution proposing that Critchleys Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**THE FRILFORD HEATH GOLF CLUB LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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On behalf of the board

K Murray (Chairman)  
**Director**

21 April 2023

# **THE FRILFORD HEATH GOLF CLUB LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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;
- 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 and other irregularities.



## THE FRILFORD HEATH GOLF CLUB LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF THE FRILFORD HEATH GOLF CLUB LIMITED

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##### Opinion

We have audited the financial statements of The Frilford Heath Golf Club Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 December 2022 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.

##### 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 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. 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 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.

##### 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.

##### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE FRILFORD HEATH GOLF CLUB LIMITED

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#### **Matters on which we are required to report by exception**

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 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, 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 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, 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.

#### **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.

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 knowledge and experience;
- 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.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; 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.

# **THE FRILFORD HEATH GOLF CLUB LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF THE FRILFORD HEATH GOLF CLUB LIMITED**

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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 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;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

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 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.

#### **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.

**Robert Kirtland**  
**Senior Statutory Auditor**  
**For and on behalf of Critchleys Audit LLP**

25 April 2023

**Chartered Accountants**  
**Statutory Auditor**

Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

# THE FRILFORD HEATH GOLF CLUB LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	4,128,478	3,408,538
Cost of sales		(546,051)	(434,146)
<b>Gross profit</b>		<b>3,582,427</b>	<b>2,974,392</b>
Administrative expenses		(3,249,816)	(2,781,773)
Other operating income		-	254,565
<b>Operating profit</b>	<b>5</b>	<b>332,611</b>	<b>447,184</b>
Interest receivable and similar income	<b>9</b>	5,038	177
Interest payable and similar expenses	<b>10</b>	(56,446)	-
<b>Profit before taxation</b>		<b>281,203</b>	<b>447,361</b>
Tax on profit	<b>11</b>	(65,493)	(68,445)
<b>Profit for the financial year</b>		<b>215,710</b>	<b>378,916</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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	2022 £	2021 £
Profit for the year	215,710	378,916
Other comprehensive income	-	-
Total comprehensive income for the year	<u>215,710</u>	<u>378,916</u>

# THE FRILFORD HEATH GOLF CLUB LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		8,758,394		8,891,613
<b>Current assets</b>					
Stocks	13	134,322		101,321	
Debtors	14	245,261		308,982	
Cash at bank and in hand		1,355,592		1,058,020	
		<u>1,735,175</u>		<u>1,468,323</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,187,484)</u>		<u>(1,108,574)</u>	
<b>Net current assets</b>			<u>547,691</u>		<u>359,749</u>
<b>Total assets less current liabilities</b>			<u>9,306,085</u>		<u>9,251,362</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(1,108,618)</u>		<u>(1,234,496)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>232,622</u>		<u>170,531</u>	
			<u>(232,622)</u>		<u>(170,531)</u>
<b>Net assets</b>			<u><u>7,964,845</u></u>		<u><u>7,846,335</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		4,860,000		4,860,000
Profit and loss reserves			<u>3,104,845</u>		<u>2,986,335</u>
<b>Total equity</b>			<u><u>7,964,845</u></u>		<u><u>7,846,335</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 April 2023 and are signed on its behalf by:

K Murray (Chairman)  
Director

Company Registration No. 00125831

# THE FRILFORD HEATH GOLF CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2021</b>		4,860,000	2,704,619	7,564,619
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	378,916	378,916
Dividends	21	-	(97,200)	(97,200)
<b>Balance at 31 December 2021</b>		4,860,000	2,986,335	7,846,335
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year		-	215,710	215,710
Dividends	21	-	(97,200)	(97,200)
<b>Balance at 31 December 2022</b>		4,860,000	3,104,845	7,964,845

# THE FRILFORD HEATH GOLF CLUB LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	665,998	69,182
Interest paid		(56,446)	-
Income taxes paid		(30,124)	-
<b>Net cash inflow from operating activities</b>		579,428	69,182
<b>Investing activities</b>			
Purchase of tangible fixed assets		(83,015)	(1,499,866)
Proceeds on disposal of tangible fixed assets		-	11,492
Interest received		5,038	177
<b>Net cash used in investing activities</b>		(77,977)	(1,488,197)
<b>Financing activities</b>			
Proceeds of hire purchase finance		-	1,317,251
Payment of hire purchase obligations		(106,679)	(13,676)
Dividends paid		(97,200)	(97,200)
<b>Net cash (used in)/generated from financing activities</b>		(203,879)	1,206,375
<b>Net increase/(decrease) in cash and cash equivalents</b>		297,572	(212,640)
Cash and cash equivalents at beginning of year		1,058,020	1,270,660
<b>Cash and cash equivalents at end of year</b>		1,355,592	1,058,020



# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

The Frilford Heath Golf Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Frilford Heath Golf Club, Abingdon, Oxfordshire, OX13 5NW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Membership subscription income runs from 1 April to 31 March. Amounts received in the year are allocated between financial years, and the proportion relating to January to March in the following financial year is carried forward in deferred income.

Rental income is recognised in the accounting period to which it relates.

Sundry other income is recognised on receipt.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation is provided
Plant and equipment	2 to 20 years straight line
Fixtures and fittings	3 to 15 years straight line
Motor vehicles	10 years straight line
Irrigation equipment	2 to 50 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

No depreciation is provided on freehold property since the directors believe that there can be no realistic valuation of the buildings in isolation from the golf course of which it forms a part. The condition and upkeep of buildings are also maintained in a continual state of sound repair with any payments being charged to the profit and loss account as they arise. This depreciation policy reflects the expected benefits of such assets and provides consistency with the depreciation methods used by other entities within the same industry.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using average cost. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Trade debtors**

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

Trade debtors are recognised initially at the transactions 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Depreciation

Depreciation is calculated to write off the cost of non-current assets over their expected useful lives. Calculation of the rates used requires judgements to be made, which include estimation of the period over which the asset will be used in the business, and any residual value at the end of its useful life.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Provision of goods and services	4,074,178	3,356,238
Rental income	54,300	52,300
	<u>4,128,478</u>	<u>3,408,538</u>

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	5,038	177
Insurance claims	-	91,791
CJRS grants	-	120,689
Other Covid-19 grants	-	42,085
	<u>          </u>	<u>          </u>

### 4 Other operating income

Other operating income in 2021 included of HMRC CJRS income of £120,689.

### 5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	216,234	171,935
Profit on disposal of tangible fixed assets	-	(6,628)
Operating lease charges	153,867	103,695
	<u>          </u>	<u>          </u>

### 6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	9,020	8,200
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	2,950	3,950
Other taxation services	-	1,500
	<u>          </u>	<u>          </u>
	2,950	5,450
	<u>          </u>	<u>          </u>

### 7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Golf course	24	21
Golf shop	7	6
Clubhouse	16	16
Administration	9	10
	<u>          </u>	<u>          </u>
Total	56	53
	<u>          </u>	<u>          </u>

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,678,598	1,484,254
Social security costs	146,753	121,786
Pension costs	113,432	104,797
	<u>1,938,783</u>	<u>1,710,837</u>

### 8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	156,341	150,029
Company pension contributions to defined contribution schemes	8,598	10,992
	<u>164,939</u>	<u>161,021</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

### 9 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	5,038	177
	<u>5,038</u>	<u>177</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5,038	177
	<u>5,038</u>	<u>177</u>

### 10 Interest payable and similar expenses

	2022 £	2021 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	56,446	-
	<u>56,446</u>	<u>-</u>



# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	26,722
Adjustments in respect of prior periods	3,402	(5,099)
Total current tax	3,402	21,623
<b>Deferred tax</b>		
Origination and reversal of timing differences	62,091	46,822
Total tax charge	65,493	68,445

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	281,203	447,361
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	53,429	84,999
Tax effect of expenses that are not deductible in determining taxable profit	309	689
Unutilised tax losses carried forward	112,609	(48,942)
Permanent capital allowances in excess of depreciation	(170,936)	(6,357)
Other permanent differences	(5,333)	(4,202)
Under/(over) provided in prior years	3,402	(5,099)
Other short term timing difference	9,922	535
Increase in deferred tax provision	62,091	46,822
Taxation charge for the year	65,493	68,445

The UK corporation tax rate of 19% is set to increase to 25% from 1 April 2023. The legislation to effect these changes was enacted before the balance sheet date and UK deferred tax has been calculated accordingly.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Irrigation equipment £	Total £
<b>Cost</b>						
At 1 January 2022	6,715,587	1,215,528	966,975	48,679	2,303,618	11,250,387
Additions	13,394	36,378	29,152	-	4,091	83,015
Disposals	-	(48,387)	-	-	-	(48,387)
At 31 December 2022	6,728,981	1,203,519	996,127	48,679	2,307,709	11,285,015
<b>Depreciation and impairment</b>						
At 1 January 2022	-	777,445	593,464	30,585	957,280	2,358,774
Depreciation charged in the year	-	97,590	76,613	1,944	40,087	216,234
Eliminated in respect of disposals	-	(48,387)	-	-	-	(48,387)
At 31 December 2022	-	826,648	670,077	32,529	997,367	2,526,621
<b>Carrying amount</b>						
At 31 December 2022	6,728,981	376,871	326,050	16,150	1,310,342	8,758,394
At 31 December 2021	6,715,587	438,083	373,511	18,094	1,346,338	8,891,613

The carrying value of land and buildings comprises:

	2022 £	2021 £
Freehold	6,728,981	6,715,587

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Irrigation equipment	1,281,981	1,317,251

### 13 Stocks

	2022 £	2021 £
Goods for resale	134,322	101,321

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	5,121	1,907
VAT receivable	14,985	268,095
Prepayments	225,155	38,980
	<u>245,261</u>	<u>308,982</u>

### 15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	111,657	106,754
Trade creditors		318,673	236,491
Corporation tax		-	26,722
Other taxation and social security		46,478	45,068
Subscriptions in advance		592,967	528,084
Other creditors		55,013	58,568
Accruals		62,696	106,887
		<u>1,187,484</u>	<u>1,108,574</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	1,085,240	1,196,822
Other creditors		23,378	37,674
		<u>1,108,618</u>	<u>1,234,496</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	585,061	647,610
	<u>585,061</u>	<u>647,610</u>

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	163,200	163,200
In two to five years	652,800	652,800
In over five years	639,200	802,325
	<u>1,455,200</u>	<u>1,618,325</u>
Less: future finance charges	(258,303)	(314,749)
	<u>1,196,897</u>	<u>1,303,576</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 10 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
	£	£
<b>Balances:</b>		
Accelerated capital allowances	345,231	170,531
Tax losses	(112,609)	-
	<u>232,622</u>	<u>170,531</u>
		<b>2022</b>
		£
<b>Movements in the year:</b>		
Liability at 1 January 2022		170,531
Charge to profit or loss		62,091
		<u>232,622</u>
Liability at 31 December 2022		

The amount of the overall deferred tax liability set out above expected to reverse within 12 months is £116,167.

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	113,432	104,797

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included in the balance sheet are unpaid pension contributions of £12,665 (2021: £11,848).

### 20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £5 each	972,000	972,000	4,860,000	4,860,000

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

There are no restrictions on the distribution of dividends and repayment of capital.

### 21 Dividends

	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
<b>Ordinary shares</b>				
Final paid	0.10	0.10	97,200	97,200

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	179,471	122,405
Between two and five years	528,592	333,084
	708,063	455,489

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	122,285	30,144

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £ Restated
Aggregate compensation	252,313	242,357

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2022 £	Purchases 2021 £
Key management personnel	2,350	5,387

### 25 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	215,710	378,916
<b>Adjustments for:</b>		
Taxation charged	65,493	68,445
Finance costs	56,446	-
Investment income	(5,038)	(177)
Gain on disposal of tangible fixed assets	-	(6,628)
Depreciation and impairment of tangible fixed assets	216,234	171,935
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(33,001)	29,460
Decrease/(increase) in debtors	63,721	(283,552)
Increase/(decrease) in creditors	21,550	(77,139)
Increase/(decrease) in deferred income	64,883	(212,078)
<b>Cash generated from operations</b>	<b>665,998</b>	<b>69,182</b>

# THE FRILFORD HEATH GOLF CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Analysis of changes in net funds/(debt)

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	1,058,020	297,572	1,355,592
Obligations under finance leases	(1,303,576)	106,679	(1,196,897)
	<u>(245,556)</u>	<u>404,251</u>	<u>158,695</u>

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.