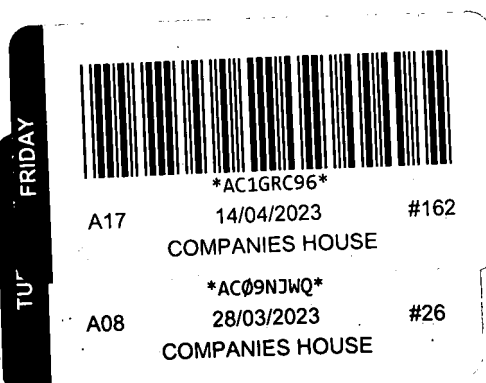


COMPANY REGISTRATION NUMBER: 01857845

Foremost Golf Limited

Financial Statements

31 December 2022



Foremost Golf Limited
Financial Statements
Year ended 31 December 2022

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Foremost Golf Limited

Strategic Report

Year ended 31 December 2022

The principal activity during the year was the sale and marketing of golf equipment and accessories.

Overall Trading

There was a degree of uncertainty going into the year not knowing whether participation would drop following the boost to golf in 2021 because of Covid-19, however, sales again grew substantially. While the gross profit margin dropped a little this was attributable to planned strategic changes in membership and supplier relationships and was in line with expectations. The result was another strong year of profits and continued improvements to membership services. As the cost-of-living pressures increased a decision was made by the directors to supplement all employees' salaries with bonuses in October and December.

Key Performance Indicators

Turnover increased by more than 30% due to the ongoing movement from Direct membership to Central membership and the growth of sales from James Langmead Golf Limited. Gross profit increased by over 12% whilst the gross profit margin showed a small decrease in 2022 to 8.5% from 9.9%. Administrative expenses, even with the additional salary payments, an increased debt provision, and the continued refurbishment with all properties now fully modernised, dropped from 8.3% to 7.5% of sales. The shareholders funds at 31 December 2022 increased by more than 10% during the year to over £9.3 million.

Properties and Investments

As the effects of Covid-19 rescinded staff previously working from home returned to the office and following the final section of our HQ in High Wycombe being refurbished our financial team were ready to move from Slough in the early part of 2023. Our two units in Slough now operate solely as a warehouse and as 2023 progresses we will make a decision whether to continue letting part of the premises or use the additional space for the anticipated growth of James Langmead Golf Limited.

Towards the end of 2022 a 5-year lease was agreed with new tenants in the ground floor of Burch House, meaning all of our properties were now fully occupied representing a significant and diverse source of income to the group. Property values remained stable in 2022 following some significant increases over the previous two years. Foremost is working to support environmental targets and all of the refurbished properties operate the most efficient air conditioning available along with LED motion activated lighting.

Membership

Our Central Invoicing & Payment system continued to be seen as a great benefit and more of our Direct members chose to move to Central membership. The EMP (Elite Marketing Programme) generated increased sales and profits for members using it and a record number of members are now using it for their sales and marketing platform. Membership was up on the previous year and the group is in good shape for the future.

Shares- Dividend - Rebates

Record member rebates were paid in March 2022 while shareholder dividends of £0.25p per share were paid and the shares increased in value from £5.30 to £5.79 representing a combined shareholder annual ROI of around 14%. There was a significant further increase in shareholder investment.

Principal Risks

Covid-19 caused a significant increase in participation and rounds played in 2021 and 2022 and it is still not known if, and at what rate, the market might return to pre-pandemic levels. With inflation at record highs and a recession likely in the short term it is also possible that retail spend may be affected. However, past recessions have shown how resilient the golf demographic is and early signs for 2023 are very encouraging. Most supply issues have returned to pre pandemic levels and early indications are of very strong members early purchases for 2023. This may however place additional pressure on members cash flow so potential bad debt remains the principal risk. Foremost is however well placed to support its members and to cope with any short term issues.

Foremost Golf Limited
Strategic Report *(continued)*
Year ended 31 December 2022

Future developments and events after the balance sheet date

The directors aim to maintain the management policies which have resulted in the group's substantial growth in recent years and consider that next year will continue to show a growth in sales and profits.

There have been no material post balance sheet events.

This report was approved by the board of directors on 27 March 2023 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a series of loops and a trailing line, representing the signature of L. Askew.

L. Askew
Director

Foremost Golf Limited

Directors' Report

Year ended 31 December 2022

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

Directors and their interests

The directors who served the company during the year together with their beneficial interests in the shares of the company at the year-end were as follows:

Ordinary Shares of £1 each		
	2022	2021
C. Steele	60,000	60,000
P. Hedges	96,650	100,000
A. Martin	24,000	27,400
I. Johnston	20,900	18,300
L. Askew	6,600	5,200
G. Shoesmith	96,172	100,000
S. Wilson (Appointed 1 May 2022)	-	-

Share options

The company operates Enterprise Management Incentives. Details are provided in note 22 to the financial statements. Movements under the Enterprise Management Incentives relating to directors were as follows:

	1 January 2022	Granted	Exercised	Lapsed	31 December 2022
A. Martin	15,900	-	-	-	15,900
I. Johnston	18,700	-	2,600	-	16,100
L. Askew	14,300	-	1,400	-	12,900

Dividends

The directors propose a dividend of £334,112 for the year. (£0.23p per share) (2021 - £348,961 (£0.25p per share))

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the strategic report on page 2 and form part of this report by cross reference.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and that appropriate training is arranged. It is the policy of the company that the training, crew development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employees are consulted regularly on a wide range of matters affecting their current and future interests. This is achieved through formal and informal meetings.

Directors' indemnity provision

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Foremost Golf Limited
Directors' Report *(continued)*
Year ended 31 December 2022

Financial risk management objectives and policies

Details of the financial risk policies can be found in the strategic report on page 1 and form part of this report by cross reference.

Going concern

The current economic conditions continue to create uncertainty particularly around revenue and operating profit levels. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves, continued financial support for James Langmead Golf Limited and committed financing arrangements.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Independent auditors

Devine & Co have indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Directors' confirmation

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditors are aware of that information.

This report was approved by the board of directors on 27 March 2023 and signed on behalf of the board by:



P Hedges
Director

Foremost Golf Limited
Directors' Responsibilities Statement
Year ended 31 December 2022

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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.
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- make judgments 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.

Foremost Golf Limited

Independent Auditor's Report to the Members of Foremost Golf Limited

Year ended 31 December 2022

Opinion

We have audited the financial statements of Foremost Golf Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Foremost Golf Limited

Independent Auditor's Report to the Members of Foremost Golf Limited

(continued)

Year ended 31 December 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Foremost Golf Limited

Independent Auditor's Report to the Members of Foremost Golf Limited (continued)

Year ended 31 December 2022

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 based on these financial statements.

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

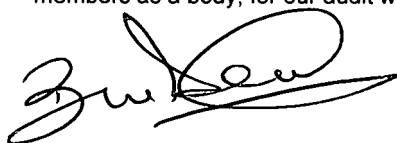
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging the assumptions and judgements made by management in determining their significant accounting estimates.
- Understanding management's internal controls designed to prevent and detect irregularities.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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

Use of our report

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



Bernard Devine FCA (Senior Statutory Auditor)

For and on behalf of
Devine & Co
Chartered Accountants & Statutory Auditors
242/242a Farnham Road
Slough
Berks.
SL1 4XE

27 March 2023

Foremost Golf Limited
Consolidated Statement of Comprehensive Income
Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	80,762,020	61,545,430
Cost of sales		<u>73,925,826</u>	<u>55,470,100</u>
Gross profit		6,836,194	6,075,330
Administrative expenses		<u>6,080,115</u>	5,129,964
Other operating income	5	<u>228,870</u>	204,166
Operating profit	6	984,949	1,149,532
Interest receivable	10	<u>901</u>	656
Profit before taxation		985,850	1,150,188
Taxation on ordinary activities	11	<u>123,782</u>	220,475
Profit for the financial year		862,068	929,713
Other comprehensive income			
Revaluation of properties		<u>155,700</u>	178,797
Tax relating to other comprehensive income	11	<u>(39,000)</u>	(44,500)
Total comprehensive income for the year		<u>978,768</u>	<u>1,064,010</u>

All the activities of the group are from continuing operations.

Foremost Golf Limited
Consolidated Statement of Financial Position
31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investment properties		825,000	865,000
Tangible assets		<u>6,494,877</u>	<u>5,862,548</u>
	14	7,319,877	6,727,548
Intangible assets	13	<u>111,422</u>	<u>146,608</u>
		<u>7,431,299</u>	<u>6,874,156</u>
Current assets			
Stocks	16	2,218,181	1,456,465
Debtors	17	8,122,164	4,801,985
Cash at bank and in hand		<u>259,131</u>	<u>2,784,600</u>
		<u>10,599,476</u>	<u>9,043,050</u>
Creditors: amounts falling due within one year	18	<u>8,319,207</u>	<u>7,243,998</u>
Net current assets		<u>2,280,269</u>	<u>1,799,052</u>
Total assets less current liabilities		<u>9,711,568</u>	<u>8,673,208</u>
Provisions			
Taxation including deferred tax	19	<u>383,500</u>	<u>236,500</u>
Net assets		<u>9,328,068</u>	<u>8,436,708</u>
Capital and reserves			
Called up share capital	24	1,452,659	1,395,845
Share premium account	25	1,792,631	1,587,892
Share options reserve	25	125,000	125,000
Profit and loss account	25	<u>5,957,778</u>	<u>5,327,971</u>
Shareholders funds		<u>9,328,068</u>	<u>8,436,708</u>

These financial statements were approved by the board of directors and authorised for issue on 27 March 2023 and are signed on behalf of the board by:



P Hedges
Director



L Askew
Director

Company registration number: 01857845

The notes on pages 15 to 29 form part of these financial statements.

Foremost Golf Limited
Company Statement of Financial Position
31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investment properties		825,000	865,000
Tangible assets		6,479,914	5,842,597
	14	7,304,914	6,707,597
Other Investments	15	351,962	351,962
		7,656,876	7,059,559
Current assets			
Stocks	16	923,422	710,961
Debtors	17	9,279,472	4,993,696
Cash at bank and in hand		52,056	2,582,761
		10,254,950	8,287,418
Creditors: amounts falling due within one year	18	7,830,473	6,613,608
Net current assets		2,424,477	1,673,810
Total assets less current liabilities		10,081,353	8,733,369
Provisions			
Taxation including deferred tax	19	383,500	236,500
Net assets		9,697,853	8,496,869
Capital and reserves			
Called up share capital	24	1,452,659	1,395,845
Share premium account	25	1,792,631	1,587,892
Share options reserve	25	125,000	125,000
Profit and loss account	25	6,327,563	5,388,132
Shareholders funds		9,697,853	8,496,869

The profit for the financial year of the parent company was £1,288,392 (2021: £1,124,064).

These financial statements were approved by the board of directors and authorised for issue on 27 March 2023 and are signed on behalf of the board by:



P Hedges
Director



L Askew
Director

Company registration number: 01857845

The notes on pages 15 to 29 form part of these financial statements.

Foremost Golf Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2022

	Called up share capital £	Share premium account £	Share options reserve £	Profit and loss account £	Total £
At 1 January 2021	1,302,334	1,255,146	85,000	4,589,545	7,232,025
Profit for the year				1,064,010	1,064,010
Total comprehensive income for the year	—	—	—	1,064,010	1,064,010
Issue of shares	93,511	332,746	—	—	426,257
Dividends paid 12	—	—	—	(325,584)	(325,584)
Equity-settled share-based payments	—	—	40,000	—	40,000
Total investments by and distributions to owners	93,511	332,746	40,000	(325,584)	140,673
At 31 December 2021	1,395,845	1,587,892	125,000	5,327,971	8,436,708
Profit for the year				978,768	978,768
Total comprehensive income for the year	—	—	—	978,768	978,768
Issue of shares	56,814	204,739	—	—	261,553
Dividends paid 12	—	—	—	(348,961)	(348,961)
Equity-settled share-based payments	—	—	—	—	—
Total investments by and distributions to owners	56,814	204,739	—	(348,961)	(87,408)
At 31 December 2022	<u>1,452,659</u>	<u>1,792,631</u>	<u>125,000</u>	<u>5,957,778</u>	<u>9,328,068</u>

The notes on pages 15 to 29 form part of these financial statements.

Foremost Golf Limited
Company Statement of Changes in Equity
Year ended 31 December 2022

	Called up share capital £	Share premium account £	Share options reserve £	Profit and loss account £	Total £
At 1 January 2021	1,302,334	1,255,146	85,000	4,589,652	7,232,132
Profit for the year				1,124,064	1,124,064
Total comprehensive income for the year	—	—	—	1,124,064	1,124,064
Issue of shares	93,511	332,746	—	—	426,257
Dividends paid 12	—	—	—	(325,584)	(325,584)
Equity-settled share-based payments	—	—	40,000	—	40,000
Total investments by and distributions to owners	93,511	332,746	40,000	(325,584)	140,673
At 31 December 2021	1,395,845	1,587,892	125,000	5,388,132	8,496,869
Profit for the year				1,288,392	1,288,392
Total comprehensive income for the year	—	—	—	1,288,392	1,288,392
Issue of shares	56,814	204,739	—	—	261,553
Dividends paid 12	—	—	—	(348,961)	(348,961)
Equity-settled share-based payments	—	—	—	—	—
Total investments by and distributions to owners	56,814	204,739	—	(348,961)	(87,408)
At 31 December 2022	<u>1,452,659</u>	<u>1,792,631</u>	<u>125,000</u>	<u>6,327,563</u>	<u>9,697,853</u>

The notes on pages 15 to 29 form part of these financial statements.

Foremost Golf Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	978,768	1,064,010
<i>Adjustments for:</i>		
Depreciation of tangible assets	614,393	491,557
Freehold properties fair value adjustment	40,000	184,862
Amortisation of intangible assets	35,186	29,322
Revaluation of properties through other comprehensive income	(155,700)	(178,797)
Interest receivable	(901)	(656)
Gains on disposal of tangible assets	(55,624)	(8,083)
Equity-settled share-based payments	–	40,000
Taxation on ordinary activities	162,782	264,975
Accrued expenses	231,621	100,728
<i>Changes in:</i>		
Stocks	(761,716)	(1,030,284)
Trade and other debtors	(3,319,179)	12,368
Trade and other creditors	968,067	1,410,988
Cash generated from operations	(1,262,303)	2,380,990
Interest received	901	656
Tax (paid)/received	(141,261)	82,215
Net cash (used in)/from operating activities	<u>(1,402,663)</u>	<u>2,463,861</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,100,429)	(1,559,745)
Proceeds from sale of tangible assets	65,031	34,302
Purchase of intangible assets	–	(175,930)
Net cash used in investing activities	<u>(1,035,398)</u>	<u>(1,701,373)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	261,553	426,257
Proceeds from borrowings	–	(4,000,000)
Dividends paid	(348,961)	(325,584)
Net cash used in financing activities	<u>(87,408)</u>	<u>(3,899,327)</u>
Net decrease in cash and cash equivalents	(2,525,469)	(3,136,839)
Cash and cash equivalents at beginning of year	2,784,600	5,921,439
Cash and cash equivalents at end of year	<u>259,131</u>	<u>2,784,600</u>

The notes on pages 15 to 29 form part of these financial statements.

Foremost Golf Limited
Notes to the Financial Statements
Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 5 Slough Interchange, Whittenham Close, Slough, Berks, SL2 5EP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidation

The financial statements consolidate the financial statements of Foremost Golf Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered.

Revenue from the sale of goods is triggered by and recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue for provision of services and commissions receivable are recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured.

Foremost Golf Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets.

(b) Useful economic lives of intangible assets

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities, and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

(c) Impairment of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the management considers factors including the credit rating of the debtor, the aging profile of the debtors and historical experience.

(d) Stocks

Stocks are stated at the lower of cost or net realisable value. Stock provisions are recognised for slow moving, obsolete or unsaleable stock and are reviewed on a regular basis. In determining stock provisions, management evaluate stock in excess of forecasted needs and make appropriate provisions to reflect the risk of obsolescence.

(e) Property revaluations

The freehold properties are valued by an independent firm of surveyors. These valuations are taken as the fair values at the reporting date. Management considers factors including movements in commercial property values and comparable available properties in their local area to assess any material changes in value from the valuation date.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Foremost Golf Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Income tax (continued)

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives is recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Amortisation

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset because of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset because of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation, gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	16% straight line
Motor vehicles	-	33% straight line
Equipment	-	25%/33% straight line

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

3. Accounting policies *(continued)*

Properties

Properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Properties are revalued to their fair values at each reporting date and the resulting revaluation increases are recognised in other comprehensive income and decreases are recognised in profit and loss.

Those properties that meet the definition of investment property in accordance with Section 16 of FRS 102 are classified as investment properties.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Foremost Golf Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)**Share-based payments (continued)**

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

4. Turnover

Turnover arises from:

	2022 £	2021 £
Sale of goods	<u>80,762,020</u>	<u>61,545,430</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022 £	2021 £
United Kingdom	80,536,200	61,336,409
Overseas sales - EU	<u>225,820</u>	<u>209,021</u>
	<u>80,762,020</u>	<u>61,545,430</u>

5. Other operating income

	2022 £	2021 £
Rental income	225,688	184,564
JRS grants	–	16,461
Management charges receivable	3,060	3,060
Interest received on debtors	<u>122</u>	<u>81</u>
	<u>228,870</u>	<u>204,166</u>

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Amortisation of intangible assets	35,186	29,322
Depreciation of tangible assets	614,393	491,557
Impairment of tangible assets recognised in:		
Administrative expenses	40,000	184,862
Gains on disposal of tangible assets	(55,624)	(8,083)
Impairment of trade debtors	118,300	6,030
Equity-settled share-based payments	—	40,000
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	39,275	36,000
	<u> </u>	<u> </u>
Fees payable to the company's auditors and its associates for other services:		
Other non-audit services	2,375	5,030
	<u> </u>	<u> </u>

8. Particulars of employees

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Administrative staff	25	28
Management staff	15	11
IT staff	11	8
Marketing staff	18	18
Membership services staff	5	5
	<u> 74 </u>	<u> 70 </u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	3,090,961	2,566,645
Social security costs	350,443	269,965
Other pension costs	220,407	213,385
	<u>3,661,811</u>	<u>3,049,995</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	429,426	472,608
Company contributions to defined contribution pension plans	55,251	90,904
	<u>484,677</u>	<u>563,512</u>

Foremost Golf Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2022

9. Directors' remuneration (continued)

The number of directors who accrued benefits under company pension plans was as follows:

	2022 No.	2021 No.
Defined contribution plans	<u>4</u>	<u>4</u>

The number of directors who exercised share options and received shares under a long term incentive scheme during the year was as follows:

	2022 No.	2021 No.
Directors who exercised share options	<u>2</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022 £	2021 £
Aggregate remuneration	156,598	134,259
Company contributions to defined contribution pension plans	<u>34,784</u>	<u>32,143</u>
	<u>191,382</u>	<u>166,402</u>

10. Interest receivable

	2022 £	2021 £
Interest on cash and cash equivalents	848	44
Taxation interest received	<u>53</u>	<u>612</u>
	<u>901</u>	<u>656</u>

11. Taxation on ordinary activities**Major components of tax expense**

	2022 £	2021 £
Current tax:		
UK current tax expense	39,061	175,471
Adjustments in respect of prior periods	<u>(22,279)</u>	<u>(60,996)</u>
Total current tax	<u>16,782</u>	<u>114,475</u>
Deferred tax:		
Origination and reversal of timing differences	107,000	106,000
Taxation on ordinary activities	<u>123,782</u>	<u>220,475</u>

In addition to the above, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on revaluation of properties	<u>39,000</u>	<u>44,500</u>

Foremost Golf Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

11. Taxation on ordinary activities *(continued)*

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The current tax rate used in the year ended 31 December 2022 is 19% and the rate used for closing deferred tax balances is 25%.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>985,850</u>	<u>1,150,188</u>
Profit on ordinary activities by rate of tax	187,311	218,536
Adjustment to tax charge in respect of prior periods	(22,279)	(60,996)
Effect of expenses not deductible for tax purposes	425	23,783
Effect of capital allowances and depreciation	(126,085)	(66,730)
Effect of revenue exempt from tax	(23,793)	(106)
Rounding on tax charge	1,203	(12)
Tax on profit	<u>16,782</u>	<u>114,475</u>

12. Dividends

Dividends paid during the year:

	2022 £	2021 £
Dividends on equity shares	<u>348,961</u>	<u>325,584</u>

Dividends proposed after the year end and not recognised as a liability:

	2022 £	2021 £
Dividends on equity shares	<u>334,112</u>	<u>348,961</u>

13. Intangible assets

Group	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	<u>175,930</u>
Amortisation	
At 1 January 2022	29,322
Charge for the year	35,186
At 31 December 2022	<u>64,508</u>
Carrying amount	
At 31 December 2022	<u>111,422</u>
At 31 December 2021	<u>146,608</u>

The company has no intangible assets.

Foremost Golf Limited
Notes to the Financial Statements (continued)

Year ended 31 December 2022

14. Tangible assets

Group	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost or valuation					
At 1 January 2022	6,582,737	188,501	191,920	3,323,751	10,286,909
Additions	–	39,550	194,767	866,112	1,100,429
Disposals	–	–	(139,838)	(21,265)	(161,103)
Revaluations	115,700	–	–	–	115,700
At 31 December 2022	6,698,437	228,051	246,849	4,168,598	11,341,935
Depreciation					
At 1 January 2022	932,737	41,578	171,969	2,413,077	3,559,361
Charge for the year	95,700	32,269	46,868	439,556	614,393
Disposals	–	–	(139,838)	(11,858)	(151,696)
At 31 December 2022	1,028,437	73,847	78,999	2,840,775	4,022,058
Carrying amount					
At 31 December 2022	5,670,000	154,204	167,850	1,327,823	7,319,877
At 31 December 2021	5,650,000	146,923	19,951	910,674	6,727,548
Company	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost or valuation					
At 1 January 2022	6,582,737	188,501	166,564	3,323,751	10,261,553
Additions	–	39,550	194,767	866,112	1,100,429
Disposals	–	–	(139,838)	(21,265)	(161,103)
Revaluations	115,700	–	–	–	115,700
At 31 December 2022	6,698,437	228,051	221,493	4,168,598	11,316,579
Depreciation					
At 1 January 2022	932,737	41,578	166,564	2,413,077	3,553,956
Charge for the year	95,700	32,269	41,880	439,556	609,405
Disposals	–	–	(139,838)	(11,858)	(151,696)
At 31 December 2022	1,028,437	73,847	68,606	2,840,775	4,011,665
Carrying amount					
At 31 December 2022	5,670,000	154,204	152,887	1,327,823	7,304,914
At 31 December 2021	5,650,000	146,923	–	910,674	6,707,597

Included within the above is investment property as follows:

	Group £	Company £
At 1 January 2022	865,000	865,000
Fair value adjustments	(40,000)	(40,000)
At 31 December 2022	825,000	825,000

The freehold properties were valued by BNP Paribas Real Estate UK as at 30 September 2022 at a combined valuation of £5,670,000. These valuations have been taken as the fair values at 31 December 2022 and the resulting revaluation increases are recognised in other comprehensive income and decreases are recognised in profit and loss.

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2022 and 31 December 2022	351,962
Impairment	
At 1 January 2022 and 31 December 2022	—
Carrying amount	
At 1 January 2022 and 31 December 2022	351,962
At 31 December 2021	351,962

Subsidiaries, associates and other investments

The investments relate to the following:

Wholly owned subsidiary undertakings having share capital consisting solely of ordinary shares and registered in England and Wales:

Name of Company	Nature of Business	Date of Acquisition
Alliance Golf Limited	Non trading	16 March 2004
Foremost Cycling Ltd	Non trading	1 May 2018
James Langmead Golf Limited	Online sale of golf equipment and accessories	26 February 2021
The Golf Shop Online Ltd	Non trading	19 March 2021

16. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
General stock for resale	2,218,181	1,456,465	923,422	710,961

17. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	6,227,908	2,510,007	6,050,764	2,505,130
Amounts owed by group undertakings	—	—	1,379,470	313,896
Deferred tax asset	11,850	10,850	—	—
Prepayments and accrued income	1,876,795	2,239,040	1,849,238	2,154,670
Other debtors	5,611	42,088	—	20,000
	8,122,164	4,801,985	9,279,472	4,993,696

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

18. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	5,492,178	4,916,069	5,323,771	4,729,395
Accruals and deferred income	1,251,839	1,020,218	1,155,730	968,682
Corporation tax	39,061	163,540	39,061	175,471
Social security and other taxes	1,523,434	1,133,924	1,311,911	740,060
Other creditors	12,695	10,247	–	–
	<u>8,319,207</u>	<u>7,243,998</u>	<u>7,830,473</u>	<u>6,613,608</u>

The company bankers, Lloyds Bank PLC, have a debenture including first legal charges, fixed and floating charges over the freehold land and buildings of the company. The amount secured is all monies due or to become due from the company.

19. Provisions

Group and company	Deferred tax (note 20) £
At 1 January 2022	225,650
Additions	146,000
At 31 December 2022	<u>371,650</u>

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in debtors (note 17)	11,850	10,850	–	–
Included in provisions (note 19)	(383,500)	(236,500)	(383,500)	(236,500)
	<u>(371,650)</u>	<u>(225,650)</u>	<u>(383,500)</u>	<u>(236,500)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	215,800	74,800	213,000	71,000
Fair value adjustment of properties	170,500	165,500	170,500	165,500
Unused tax losses	(14,650)	(14,650)	–	–
	<u>371,650</u>	<u>225,650</u>	<u>383,500</u>	<u>236,500</u>

21. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £220,407 (2021: £213,385).

Foremost Golf Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

22. Share-based payments

The company has a share option scheme for all employees (including directors). Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The vesting period is usually 0 to 10 years. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the group before the options vest.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

Group and company	2022		2021	
	No.	WAEP	No.	WAEP
Outstanding at 1 January 2022	265,589	4.86	93,654	3.25
Granted during the year	–	–	225,300	5.30
Forfeited during the year	(21,100)	5.30	(21,900)	5.04
Exercised during the year	(36,000)	3.92	(31,465)	3.10
Outstanding at 31 December 2022	<u>208,489</u>	<u>4.98</u>	<u>265,589</u>	<u>4.86</u>
Exercisable at 31 December 2022	<u>208,489</u>	<u>4.98</u>	<u>265,589</u>	<u>4.86</u>

Fair values of options granted were calculated using a Black Scholes Merton Option pricing model. The inputs into the model were as follows:

	2022	2021
Weighted average share price - £	5.79	5.30
Weighted average exercise price - £	3.92	3.10
Expected volatility - %	9.84	9.23
Expected life - years	3.00	3.00
Expected dividend yield - %	3.84	3.62
Risk-free interest rate - %	<u>2.50</u>	<u>2.50</u>

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous 3 years. The expected life used in the model has been adjusted based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The total expense recognised in profit or loss for the year is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Equity-settled share-based payments	<u>–</u>	<u>40,000</u>	<u>–</u>	<u>40,000</u>

23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets measured at fair value through profit or loss

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors and accrued income	<u>7,917,805</u>	<u>4,481,893</u>	<u>7,740,661</u>	<u>4,477,016</u>

Foremost Golf Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2022

24. Called up share capital**Issued, called up and fully paid**

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,452,659</u>	<u>1,452,659</u>	<u>1,395,845</u>	<u>1,395,845</u>

Share movements

Ordinary shares	No.
At 1 January 2022	1,395,845
Issue of shares	63,379
Issue of shares under share options	36,000
Shares repurchased	<u>(42,565)</u>
At 31 December 2022	<u>1,452,659</u>

The following took place on 4 May 2022:

Under Enterprise Management Incentives (note 22):

5,600 ordinary shares of £1 each were issued at a consideration price of £2.39 per share.
 17,800 ordinary shares of £1 each were issued at a consideration price of £3.42 per share.
 12,600 ordinary shares of £1 each were issued at a consideration price of £5.30 per share.

Under the Company Share Match scheme:

63,379 ordinary shares of £1 each were issued at a consideration price of £5.79 per share.
 42,565 ordinary shares of £1 each were repurchased at a consideration price of £5.79 per share.

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued and repurchased, less transaction costs.

Share option reserve - This reserve records the value received in relation to the issue of share options.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Foremost Golf Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

26. Directors' advances, credits, and guarantees

During the year the company traded with the following directors on normal trade terms and conditions, the details of which are: -

	Sales £	Outstanding at 31 December 2022 £
C. Steele	370,125	29,861
G. Shoesmith	170,623	8,247
S. Wilson (from 1 May 2022)	119,859	2,634

The outstanding balances are current with no overdue amounts.

In addition to the above, the company has entered into an agreement with G. Shoesmith to provide computer and other services related to the installation of an EPOS system being developed by Foremost Golf Limited. The amount paid to G Shoesmith for the year was £24,000.

27. Related party transactions

Based on their shareholdings, dividends of £77,725 were paid to the directors during the year. (2021 - £72,115).

28. Controlling party

There is no overall controlling party.