

# PRESTWICK ST NICHOLAS GOLF CLUB



## REPORT and ACCOUNTS

For the year ended  
31 December 2019

**Office Bearers 2019 – 2020**

**Captain**

Stuart Millar

**Vice-Captain**

Neil Foggo

**Management Committee  
Retire**

**2020**

Keith Carruthers  
Stephen Kennedy  
Alex MacLeod

**2021**

Jim Downie  
Katie Hodge  
Colin Ramsay

**Immediate Past Captain**

Mrs Annette Paterson

**Honorary President**

Gordon McKinlay

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**Notice is hereby given that the Annual General Meeting of Prestwick St Nicholas Golf Club** will be held in the Clubhouse on 2020 at 7.00pm for the purpose of transacting the following business: -

1. Apologies
2. To approve the minute of the Annual General Meeting held on Thursday 28 March 2019.
3. To receive the Captain's Report on behalf of the Management Committee.
4. To receive the Financial Report and approve the Accounts for the year ended 31 December 2019.
5. To fix the level of Subscriptions for the ensuing year.
6. To elect Office-Bearers and Management Committee.
7. To confirm the appointment of the Reporting Accountants.
8. To transact any other competent business.

**By order of the Management Committee**

**E D Prentice  
Managing Secretary  
12 March 2020**

## PRESTWICK ST NICHOLAS GOLF CLUB

1. Apologies
2. Minute of the Annual General Meeting held on 28 March 2019
3. Captain's Report on behalf of the Management Committee
4. Financial Report and Accounts for the year ended 31 December 2019

The accounts for the year are presented on pages 8 to 17

### Membership

The membership as at 31 December 2019, (2018) comprised: -

2 (2)	Honorary Life Members	6 (8)	Veteran Members
7 (6)	Life Members	88 (71)	Non-playing Members
22 (23)	Honorary Members	54 (49)	Country Members
427 (427)	Ordinary Members	34 (33)	Overseas
44 (43)	Senior Ordinary Members	49 (48)	Intermediate Members
156 (152)	Associate Members	16 (14)	Senior Associate Members
2 (2)	Veteran Associate Members	1 (1)	Corporate Members
7 (2)	Temporary Members	84 (89)	Junior Members

Total membership numbers at the end of 2019 amounted to 999 which was an increase of 29 in the year. The number of Ordinary members remained static and the number of Associate members rose by 4. The Non-playing membership category rose by 17 in the year however most categories of membership saw little change. Throughout the year 12 members who had initially taken out temporary membership t became full members, 11 as Ordinary members and 1 as an Associate.

32 new Ordinary members joined in the year to 31 December 2019 against a budget of 25. There were 19 resignations in this category against a budget of 20. During the year, 12 more members transferred out of Ordinary than transferred in. New Associate members in the year numbered 12 which was 2 more than budget, and there were 10 resignations which was 5 more than budget. 4 more members transferred in to Associate than transferred out.

There were 19 new Intermediate members and 12 resignations and 8 transferring to Ordinary on attaining the age of 30. 2 Junior members transferred up to Intermediate. Country membership rose by a net 5 and Overseas membership rose by 1. Non-playing membership rose by 17 and the number of Life members rose by one.

The number of juniors fell by 5 during the year and there was again considerable movement in the section with 15 new juniors admitted and 18 resignations. The section is currently 4 over its Constitutional limit. The Little Nicks section of pre-juniors continues to be very popular with approximately 25 children currently in membership.

During the year a considerable effort was put in by Alex MacLeod and the entire Committee to secure new members with the joining incentives for new Ordinary members being extended until the end of December. The temporary winter membership offer attracted 13 applicants of whom 8 have now taken up full membership at time of writing.

## PRESTWICK ST NICHOLAS GOLF CLUB

### Income and Expenditure Account

The Income and Expenditure account shows that the Club returned an Operating surplus for the year of £221 which was £2,640 lower than budget set. The result is however extremely creditable and the following notes will offer some explanation for that statement.

Significantly there was a surplus before depreciation and exceptional/Levy income in 2019 of £70,112 compared to £51,825 in 2018. This is the main reason for the near £60,000 increase in the Cash at Bank figure at the end of the year.

Total income for the year was £687,464 before exceptional income compared to the equivalent figure in 2018 of £686,595 however this was after allowing for £15,160 in joining incentives compared to just £1,195 the previous year.

Subscription income and joining fees at £561,657 were £13,677 higher than in 2018.

Green fee income, after allowing for Starters' fees was £15,362 lower than in 2018 however the green fee income figure in 2018 was the highest since 2009.

Fruit machine income rose slightly in the year mainly due to the club securing a reduction in the machine rental fee.

There was a combined bar and catering surplus of £8,371 was better than 2018 by approximately £6,839 however the 2018 figure was impacted by a termination payment to a former employee. The 2019 result was slightly lower than budget due to poor weather at the start of the year and a decline in visitor numbers and members' guests.

There was no exceptional income in 2019.

Total expenditure at £687,243 was approximately £5,000 lower than in 2018 despite higher depreciation of £12,569 and higher links expenditure of £8,394.

**Note 2** details the amounts received from entrance fees and deposits. Gross entrance fees were £8,400 higher than on 2018 but this was almost certainly due to the joining incentives on offer to new members.

**Note 3** shows that green fee income before starters' fees was £13,568 lower than in 2018. Although the figure was disappointing a small reduction had been forecast and the course did not recover from the very dry summer of 2018 until June/July 2019 with a resultant decrease in members' guest numbers in the first half of the year.

**Note 4** details the income generated from the fruit machine. There was a modest increase in drawings however a reduction in machine rental was negotiated with the operators resulting in a slightly better return.

**Note 5** details the bar operation. Turnover was £5,400 down on 2018 due to the reduction in footfall of visitors and members' guests. Bar margins were slightly down on 2018. Wages and bar expenses were £9,380 lower than in 2018 however 2018 costs were unusually high due to the termination of employment settlement in respect of a former employee. The result for the year was a surplus of £4,516 up from £1,284 in 2018.

**Note 6** details the catering operation. Turnover of £188,632 was down on 2018 by approximately £6,000. Catering margins were approximately 2% up on 2018. Wages and catering expenses were £6,448 lower than in 2018 with close control over staffing levels a factor. The overall result for the year was a surplus of £3,885 compared to a surplus of £248 the previous year.

The combined bar and catering result was a surplus of £8,371 compared to £1,532 in 2018.

## PRESTWICK ST NICHOLAS GOLF CLUB

**Note 7** details miscellaneous income which was approximately £4,000 lower than in 2018 which included a gain on disposal of an asset of £7,000. There were small increases in locker rent, trolley hook rent and buggy hires.

**Note 8** details the expenditure on the links during the year which was £8,393 higher than in 2018. Much of this additional expenditure was on additional grass seed and wetting agents to redress the effects of the very dry summer in 2018 and the very wet start to the year in the first quarter of 2019. There was also considerable additional expenditure on course improvements relative to the building of new tees at the 9<sup>th</sup> and 12<sup>th</sup> holes.

**Note 9** details the clubhouse expenditure which overall showed a reduction of circa £10,000 in the year. Expenditure on repairs and upkeep was down by £8,300 and utility costs by almost £4,000. Laundry and cleaning costs were up on 2018 by approximately £2,500.

**Note 10** refers to administration and miscellaneous expenses which were £10,058 down on 2018. A conscious decision was taken to reduce advertising spend in 2019 and channel the savings into new member joining incentives which have been referred to earlier and with the resultant saving of nearly £7,000. Accountancy and legal costs were particularly high in 2018 due primarily to a staffing matter for which there was a small residue of costs in 2019. In a normal year, accountancy and legal fees would be in the region of £3000- £3500.

**Note 11** itemises expenditure on match expenses and social activities which were approximately £3,000 lower than in 2018 with reductions in both match expenses and social activities.

The charge for irrecoverable VAT was approximately £1,400 lower than in 2018. Unlike most businesses, golf clubs are what is known as 'partially exempt' which effectively means we cannot claim back all of the Vat on our expenditure. It is only at the end of the year that we know for certain what percentage of Vat we can claim back which does make budgeting a bit of a lottery. Disallowable VAT in respect of expenditure on fixed assets and machinery and equipment is added back onto the capital cost of these assets and is reflected in the Balance Sheet.

**Note 12** is in respect of finance costs which were £300 lower than in 2018.

Depreciation of fixed assets at £69,891 was £12,670 higher than in 2018 again reflecting additional expenditure on fixed assets during the year.

### Balance Sheet

During the year, the Club spent £26,421 on fixed assets compared to £108,420 in 2018.

£23,160 was spent on clubhouse and course improvements all of which related to the upgrade of the Ladies Locker rooms.

£3,260 was spent on various small items of equipment including a scanner to digitally capture and archive the historical minute books and the Tom Morris commemorative plaque now displayed on the exterior of the Clubhouse

After allowing for depreciation of £69,891 the net book value of the Club's fixed assets at 31 December 2019 stood at £694,708 (2018: £738,178). The Club's accumulated surplus at the end of 2019 was £734,929 which includes a junior fund of £1,548.

Cash and bank balances rose in the year by just under £60,000 to £378,670 which puts the Club in a strong position going forward.

## PRESTWICK ST NICHOLAS GOLF CLUB

### 6. 2019 Budget and Subscriptions

	<b>Budget 2019 £</b>	<b>Actual 2019 £</b>	<b>Budget 2020 £</b>
<b>Income</b>			
Subscriptions and Entrance Fees*	549,668	561,657	583,492
Green Fees (after Starters' fees)	105,742	94,468	89,800
Fruit Machine Surplus	12	663	1,200
Bar Surplus/(Deficit)	4,946	4,516	8,230
Catering Surplus	4,972	3,855	3,845
Miscellaneous Income	20,644	22,305	23,940
	<b>685,984</b>	<b>687,464</b>	<b>710,507</b>
<b>Expenditure</b>			
Links Salaries and Maintenance	319,360	323,292	336,506
Clubhouse Salaries and Maintenance	106,819	102,992	106,274
Administration and Miscellaneous	103,940	103,666	103,442
Match Expenses and Social Activities	24,550	24,694	27,300
Irrecoverable VAT	28,000	28,154	28,000
Finance Costs	42,139	34,554	40,974
Depreciation	58,314	69,891	67,740
	<b>683,123</b>	<b>687,243</b>	<b>710,236</b>
<b>Revenue Surplus/(Deficit)</b>	<b>£2,861</b>	<b>£221</b>	<b>271</b>

Based on the 2019 Budget, the Management Committee recommends that Subscription levels for 2019 be set as follows: -

	<b>2019</b>	<b>2020</b>
Ordinary Members	£865	£905
Senior Ordinary Members	£576	£602
Veteran Ordinary Members	£216	£226
Associate Members	£576	£602
Senior Associate Members	£384	£401
Veteran Associate Members	£145	£152
Country Members - Transferred	£216	£275
Country Members – Joined	£288	£335
Overseas Members – Transferred	£173	£235
Overseas Members – Joined	£235	£295
Intermediate Members - Under 25	£288	£301
Intermediate Members - 25 and over	£433	£453
Junior Members - Under 12	£80	£80
Junior Members - 12 and over	£120	£120
Non-Playing Members	£60 + VAT	£60+VAT

The subscriptions if approved will apply until altered by the Club in General Meeting.

\*Any members wishing to resign from the Club, with the exception of junior members, must intimate in writing his/her resignation to the Secretary before 01 June following the Annual General Meeting, failing which he/she will be held liable for his/her subscription for the year.

## **PRESTWICK ST NICHOLAS GOLF CLUB**

### **7. Election of Office-Bearers and Management Committee**

#### **Office Bearers**

The Captain, Mr Stuart Millar and the Vice-Captain, Mr Neil Foggo retire at this time. The following Members have been nominated for the offices of Captain and Vice-Captain respectively:

**Captain** – Neil Foggo

**Vice-Captain** – Colin Ramsay

#### **Management Committee**

The members of the Management Committee who retire at this time are Immediate Past Captain Annette Paterson, G Keith Carruthers, Stephen Kennedy and Colin Ramsay. Stuart Millar and will take the place of Annette Paterson as Immediate Past Captain.

As a result of the Constitutional amendment passed at the SGM in February 2019 there are two vacancies on the Management Committee to be filled at this time.

In terms of section 8(b) of the Constitution, the following nominations have been received in respect of the two vacancies on Committee falling to be filled at the 2020 AGM, namely Stuart Glasgow and Kris Hepburn

### **8. Appointment of Reporting Accountants**

The Management Committee recommends the appointment of Messrs Galbraith Pritchards as Reporting Accountants.

### **9. Any Other Competent Business**

# PRESTWICK ST. NICHOLAS GOLF CLUB

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## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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**CHARTERED ACCOUNTANTS' REPORT  
TO THE MEMBERS OF PRESTWICK ST. NICHOLAS GOLF CLUB**

In accordance with the engagement letter dated 18 February 2011 we have examined the financial statements of Prestwick St. Nicholas Golf Club on pages 2 to 9.

This report is made to you, in accordance with the terms of our engagement and for no other purpose.

We hereby report that the financial statements are in accordance with the books, records and information supplied to us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than to the members of Prestwick St. Nicholas Golf Club, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by The Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

The Club Committee acknowledge their responsibility for these financial statements on the Balance Sheet for the year ended 31 December 2019.

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

Galbraith Pritchards  
Chartered Accountants  
20 Barns Street  
Ayr  
KA7 1XA

Date: 11<sup>th</sup> March 2020

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019		2018	
	Note	£	£	£	£
<b>INCOME</b>					
<b>Membership Income</b>					
Annual Subscriptions		535,687		516,456	
Entrance Fees and Deposits	2	<u>25,970</u>		<u>31,524</u>	
		561,657		547,980	
Green Fees – Members and Visitors	3	94,468		109,850	
Fruit Machine – Surplus / (Deficit)	4	663		(3)	
Bar Surplus	5	4,516		1,284	
Catering Surplus	6	3,855		248	
Miscellaneous Income	7	22,305		27,236	
Exceptional Income		<u>—</u>		<u>7,030</u>	
			687,464		693,625
<b>EXPENDITURE</b>					
Links Expenditure	8	323,292		314,899	
Clubhouse Expenditure	9	102,992		113,027	
Administration and Miscellaneous Expenses	10	103,666		113,724	
Match Expenses and Social Activities	11	24,694		28,708	
Irrecoverable VAT		28,154		29,567	
Finance Costs	12	34,554		34,845	
Depreciation		<u>69,891</u>		<u>57,322</u>	
			<u>687,243</u>		<u>692,092</u>
<b>OPERATING SURPLUS FOR YEAR</b>			<u><u>221</u></u>		<u><u>1,533</u></u>

**BALANCE SHEET****AS AT 31 DECEMBER 2019**

		<b>2019</b>		<b>2018</b>	
		£	£	£	£
	<b>Note</b>				
<b>FIXED ASSETS</b>	13		694,708		738,178
<b>CURRENT ASSETS</b>					
Stock		13,018		13,447	
Debtors and Prepayments		40,324		38,357	
Cash at Bank		378,497		318,256	
Cash on Hand		<u>373</u>		<u>870</u>	
			<u>432,212</u>		<u>370,930</u>
<b>CURRENT LIABILITIES</b>					
Creditors and Accruals		134,120		128,787	
Clubcard Balances		39,060		32,158	
Deferred Income – Subscriptions in Advance		<u>218,811</u>		<u>213,455</u>	
			<u>391,991</u>		<u>374,400</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			<u>40,221</u>		<u>(3,470)</u>
<b>NET ASSETS</b>			<u>734,929</u>		<u>734,708</u>

**Represented By:-**

Accumulated Surplus	14		<u>734,929</u>		<u>734,708</u>
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Approved by the Committee on 12th March 2020 and signed on its behalf.

*E D Prentice*  
**Managing Secretary**

*S Millar*  
**Captain**

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**STATEMENT OF MOVEMENTS IN CASH RESOURCES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash at bank and in hand at start of year</b>	319,126	305,658
<b>Cash generated from operations</b>		
Surplus for Year	221	1,533
Items not involving Cash:		
Depreciation and Loss on Disposals	<u>69,891</u>	<u>57,322</u>
	<u>389,238</u>	<u>364,513</u>
<b>Application of Cash</b>		
Purchase of Fixed Assets	<u>(26,421)</u>	<u>(108,420)</u>
<b>Working Capital Movement</b>		
Decrease in Stock	429	636
(Increase) / Decrease in Debtors and Prepayments	(1,967)	21,014
Increase in Creditors and Accruals	5,333	41,993
Increase in Subscriptions in Advance	5,356	1,478
Increase / (Decrease) in Clubcard Balances	<u>6,902</u>	<u>(2,088)</u>
	<u>16,053</u>	<u>63,033</u>
<b>Cash at bank and in hand at end of year</b>	<u>378,870</u>	<u>319,126</u>

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**NOTES TO THE ACCOUNTS AT 31 DECEMBER 2018**
**1. ACCOUNTING POLICIES****Basis of preparing the Financial Statements**

The Financial Statements have been prepared under the historical cost convention.

**Income**

All income in the accounts is shown net of value added tax.

**Stocks**

Bar stocks are valued at the lower of cost and net realisable value.

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, less any anticipated residual value.

Links	-	not provided
Clubhouse and furnishings	-	2% on cost
Equipment	-	20% Straight line
Furniture and fittings	-	10% Straight line
Clubhouse Improvements	-	10% Straight line

**Fruit Machine and Club-cards**

Surpluses from fruit machine and club-cards are taken to the credit of the Income & Expenditure Account.

**Member Admission Deposits, Entry Fees and Levy**

Admission deposits, entry fees, and levy are taken to the Income & Expenditure Account.

2. ENTRANCE FEES & DEPOSITS	2019		2018	
	£	£	£	£
Entrance Fees		41,130		32,719
Joining Incentives	<u>15,160</u>	(15,160)	<u>1,195</u>	(1,195)
		<u>25,970</u>		<u>31,524</u>

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2019

	2019		2018	
	£	£	£	£
<b>3. GREEN FEES - MEMBERS AND VISITORS</b>				
Fees Collected		114,282		127,850
Starter's Fees & Commissions Payable	<u>19,814</u>	(19,814)	<u>18,000</u>	(18,000)
		<u>94,468</u>		<u>109,850</u>
<b>4. FRUIT MACHINE SURPLUS</b>				
Drawings		2,876		2,604
Excise Duty	721		527	
Machine Rental	<u>1,492</u>		<u>2,080</u>	
		(2,213)		(2,607)
		<u>663</u>		<u>(3)</u>
<b>5. BAR SURPLUS</b>				
Sales		111,135		116,541
Club Card Surplus		2,381		3,123
Cost of Sales	46,330		46,362	
Wages and Expenses	<u>62,670</u>		<u>72,018</u>	
		(109,000)		(118,380)
		<u>4,516</u>		<u>1,284</u>

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2019

	2019		2018	
	£	£	£	£
<b>6. CATERING SURPLUS</b>				
Sales		188,632		194,663
Club Card Surplus		2,381		3,123
Cost of Sales	90,023		93,955	
Wages and Expenses	<u>97,135</u>		<u>103,583</u>	
		<u>(187,158)</u>		<u>(197,538)</u>
		<u>3,855</u>		<u>248</u>
<b>7. MISCELLANEOUS INCOME</b>				
Locker Rents		12,765		11,211
Interest Received		3,003		3,022
Miscellaneous		502		1,405
Trolley Hook Rental		1,827		1,515
Buggy Hire		4,208		3,083
Gain on disposal of Fixed Assets		<u>-</u>		<u>7,000</u>
		<u>22,305</u>		<u>27,236</u>
<b>8. LINKS EXPENDITURE</b>				
Staff Wages & Training		227,441		225,045
Materials		75,034		69,091
Plant Upkeep and Renewals		14,872		15,437
Greenkeeper's Shed - Electricity and Telephone		<u>5,945</u>		<u>5,326</u>
		<u>323,292</u>		<u>314,899</u>
<b>9. CLUBHOUSE EXPENDITURE</b>				
Rates and Insurance		20,841		21,416
Gas, Electricity and Water		32,131		36,003
Repairs & Renewals		9,501		17,830
Laundry, Cleaning Wages and Materials		39,407		36,958
Papers and Periodicals		<u>1,112</u>		<u>820</u>
		<u>102,992</u>		<u>113,027</u>

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2019

	2019	2018				
	£	£				
<b>ADMINISTRATION AND MISCELLANEOUS EXPENSES</b>						
10.						
Salaries – Secretarial Staff	68,207	65,352				
Printing, Stationery and Advertising	18,272	25,181				
Telephone	1,527	1,856				
Postages	2,054	1,826				
Accountancy & Legal Fees	4,948	8,218				
Training Courses	170	200				
Miscellaneous Expenses	<u>8,488</u>	<u>11,091</u>				
	<u>103,666</u>	<u>113,724</u>				
<b>11. MATCH EXPENSES AND SOCIAL ACTIVITIES</b>						
Match Expenses	17,084	19,449				
Social Activities	11,098	12,617				
Open Competition Income	<u>(3,488)</u>	<u>(3,358)</u>				
	<u>24,694</u>	<u>28,708</u>				
<b>12. FINANCE COSTS</b>						
Bank Charges	7,277	7,717				
Hire Purchase Interest	2,092	1,007				
Course Machinery Leasing	22,053	22,053				
Equipment Leasing	<u>3,132</u>	<u>4,068</u>				
	<u>34,554</u>	<u>34,845</u>				
<b>13. FIXED ASSETS</b>						
	Links	Clubhouse & Furnishings	Clubhouse Improvements	Equipment	Furniture & Fittings	Total
	£	£	£	£	£	£
<b>Cost</b>						
As at 1 January 2019	10,500	731,573	134,736	228,989	250,276	1,356,074
Additions	<u>-</u>	<u>-</u>	<u>23,160</u>	<u>-</u>	<u>3,261</u>	<u>26,421</u>
As at 31 December 2019	<u>10,500</u>	<u>731,573</u>	<u>157,896</u>	<u>228,989</u>	<u>253,537</u>	<u>1,382,495</u>
<b>Depreciation</b>						
As at 1 January 2019	-	277,328	29,080	169,439	142,049	617,896
Depreciation charge for year	<u>-</u>	<u>14,631</u>	<u>15,404</u>	<u>14,672</u>	<u>25,184</u>	<u>69,891</u>
As at 31 December 2019	<u>-</u>	<u>291,959</u>	<u>44,484</u>	<u>184,111</u>	<u>167,233</u>	<u>687,787</u>
<b>Net Book Value</b>						
As at 31 December 2019	<u>10,500</u>	<u>439,614</u>	<u>113,412</u>	<u>44,878</u>	<u>86,304</u>	<u>694,708</u>
As at 1 January 2019	<u>10,500</u>	<u>454,245</u>	<u>105,656</u>	<u>59,550</u>	<u>108,227</u>	<u>738,178</u>



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**NOTES TO THE ACCOUNTS AT 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	£	£
<b>14. ACCUMULATED SURPLUS</b>		
Brought Forward	734,708	733,175
Surplus for Year	<u>221</u>	<u>1,533</u>
	<u>734,929</u>	<u>734,708</u>