

# **LONGNIDDY GOLF CLUB LIMITED**

(By Guarantee)

Company Number 31269 (Scotland)

Registered Office:

The Clubhouse, Longniddry, East Lothian. EH32 0NL

## **Annual Report, Accounts and Balance Sheet**

**For the year ended 30<sup>th</sup> November 2003**

President: The Earl of Wemyss and March

Vice-President: Mr T. Porteous

Captain: Professor G. H. W. Milburn

Vice Captain: Mr J. Bellany

Directors:

Mr A. Aithie Mr T. Buchanan Mr G. Guiney  
Mrs C. F. Guthrie Mrs F. Maciver Mrs J. C. McEwan  
Mr R.W. Salter Mr J. Scott

General Manager & Company Secretary

Mr D. N. Robertson B.Sc., M.B.A.

Wemyss and March Estate Representative:

Mr M. Andrews B.Sc., A.R.I.C.S.

Auditors:

Springfords LLP

Solicitors:

Shepherd & Wedderburn, W.S.



## **REPORT BY THE DIRECTORS**

The Directors present their Annual Report and Statement of Accounts for the year ended 30th November 2003 to the 48th Annual General Meeting of the Members to be held in the Clubhouse, on Thursday 19<sup>th</sup> February 2004, immediately following the Extraordinary General Meeting to be held at 7pm.

### **Membership**

The position of the Roll as at 30th November 2003 was:-

Men	Ladies	5 Day	Country	Social	Youth	Juniors	Honorary	Life	TOTAL
463	182	156	57	32	14	123	15	39	1081

The total number of members increased over the year, following an increase in the number of Five Day members and social members. The number of applications to join the Club over the year was consistent with other years, but the overall number of adults on the waiting list has again fallen, from 240 in 2002 to 206 as at November 2003, inclusive of the Five Day members waiting for full membership. Those gentlemen being offered full membership in 2004 will have been on the Waiting List for 5 years or thereby.

Last year the Directors took the decision to create a single waiting list for members, rather than separate waiting lists for both gentlemen and ladies. This decision is subject to a change in the Articles by Special Resolution at this AGM. The Rules and Byelaws will also be amended, such that there will be a provision for accelerated entry for ladies, should the number of 'ordinary' ladies i.e. those with voting rights, fall below 170.

It is with regret that the Directors report the deaths of the following members during the year: Mrs E H Adam, Mr D Ayton, Mrs E G Clegg, Mr J W Dickson, Mr C E B Forbes, Mr A Harvey, Mr N J Mawbey, Mr A Munro and Mr R P Nicol.

### **Clubhouse**

Jim Jardine has completed his second year as Bar Manager and is assisted by Marina Ross and Gemma Beaton. A number of the regular part-time bar staff left over the year; our thanks to Anne Laird, Sian Brotherstone, Catherine Blain. We hope Nick Graham and Gillian Hope will be back to assist next summer. Tragically, Rosemary Enwood left after only a few short weeks at the Club, having been diagnosed with cancer. Jim has been left short staffed on a number of occasions, but at the time of writing permanent part-time assistants were being sought. Jim negotiated significant discounts from the suppliers and the savings in bar prices have been passed on to the members.

John and Kay Kerr have completed their third year at the Club. John was diagnosed with cancer of the throat in the summer and is only now returning to full health. John's unavailability created problems for the catering department and our thanks to Kay and her team for coping throughout this difficult period. Most of the social functions have been well supported, although a number were cancelled following poor ticket sales including the Murder Mystery Dinner and the Halloween Disco. The jazz brunches have been very successful and will be continued in 2004.

The decision to appoint Executive Cleaning as contract cleaners did not resolve the problem of finding and retaining cleaning staff, and the cleaning was brought back 'in-house'. Our thanks to Margaret Honeysett and Carol Hogg for their efforts. Jim Jardine has the responsibility for managing the cleaners and our thanks to him for standing in when Margaret or Carol were unavailable. Additional cleaning staff were being sought.

The Directors were conscious that the high standards of service and presentation were not always met during the year, but would advise that this issue is being addressed and will remain a priority for improvement.

The Office and Admin staff were relocated during the year to the Upstairs Lounge. New doorways were created at the top of the stairs to avoid a requirement to access the Office via the Ladies Locker-Room. Anna Baltzer joined the Admin team in June, assisting Cristine Paxton, such that the Club has the equivalent of one full-time admin assistant. Anna's role will include responsibility for processing competitions and for visitor bookings. The 'old office' has been redecorated and is available to members.

The decision to acquire new tables for the Lounge, deferred from 2002, was implemented in 2003 and the Directors are pleased that these tables have found favour with the members. A decision was taken in late November to re-instate the Dance Floor, to be implemented at an early stage. Other improvements were put on hold, pending the outcome of the proposals for Clubhouse development.

### **The Course**

Heavy and prolonged rainfall in October 2002 continued through-out the winter, with significant disruption to the winter programme. The areas forward of the 7<sup>th</sup> tee and the 10<sup>th</sup> green were badly flooded for a considerable period until new drains could be installed. It is probable that some of the original field drains on the course were damaged following the upgrading of the irrigation system some years earlier, but these drains were temporarily redundant because of the ongoing work at Blindwells. Following land re-instatement at Blindwells, and the subsequent renewal of the sub-surface waterways, the drains were again carrying a significant amount of water which came to the surface where damage had occurred.

The ongoing problem with flooding in front of the 8<sup>th</sup> green also proved difficult to resolve, but the construction of a new drain to a soak-away at the 9<sup>th</sup> tee should prevent any further flooding at this location, even if standing water may be evident on occasion. Staff took the decision to reseed the area, but with hind-sight it would have been better to re-turf, as the area remained unsightly through-out the remainder of the year.

The wet weather also delayed the autumn maintenance programme, with verti-draining of greens delayed until spring 2003. This operation was poorly executed, with many greens being damaged. The long wet winter turned into a long dry summer and the irrigation system began to malfunction. This compounded the damage to the greens, such that they were not at their best until late in the season. The lush green fairways, which many of us have come to enjoy, reverted to their traditional links-like character, which did not find favour with all. Teeing areas were also less than satisfactory during much of the summer.

There is no doubt that presentation on the course during the early and mid season was unsatisfactory. This was forcibly brought to the attention of the Directors in late July, in the form of a petition requesting the opportunity to 'discuss issues relating to the condition of the course'. The bunkers in particular were subject to criticism, with unfavourable comments on both the presentation and the consistency of the sand. Members also commented on the Board's decision to allow the rough to grow on the banking of the burns, although it should be noted that this was deliberate policy following a request from Scottish Wildlife Advisory Group, who had provided grant aid for Coots Pond. Criticism was also made on the failure to maintain pathways etc, particularly those which had been refurbished earlier in the year.

A meeting was duly arranged for August 25<sup>th</sup> to discuss the issues, attended by approx 80 members and the Board. The annual course inspection with Richard Windows of the Sports Turf Research Institute was held prior to this meeting, with Stephen Thomson and Roger Laidlaw attending to discuss the findings of the inspection. The STRI report was published for the members in advance of the meeting.

As a generalisation, the report found that the work-practices and procedures being implemented on the course were good, although it was acknowledged that the presentation had been poor in some areas, particularly pathways, bunkers and bankings.

At the meeting the Head Greenkeeper advised that many of the problems with the presentation resulted from the ongoing intermittent failure of 'decoders' in the irrigation system, which caused the system to shut down prematurely. Whereas staff normally expect to replace five or six decoders per season, staff replaced over sixty faulty decoders in 2003, with a commitment to replace the remainder prior to the start of the 2004 season. Additionally, two key staff members were unavailable in the early part of the season. Neil Kennedy had left for Archerfield in March and David Lloyd was off sick for ten weeks, before he too moved to Archerfield. Neil and David were later replaced by William Butler and Tom Baillie, with Ken Anderson fielding a full complement of staff by the end of the season, including Phil Holmes, Stephen Russell, David Robson and Ken Mason. Staff were not immune to the comments being made by the membership on the condition of the course and are to be congratulated on their efforts to bring this back to an acceptable standard.

The investment in machinery continued over the season, with the acquisition of new Toro mowing units, a new tipping trailer and a new Allen National ride-on mower. The most significant item of expenditure on the course, however, was the construction of the new greens shed. This new shed was constructed to allow staff to keep their machinery under lock and key. It should be noted that the replacement costs for greens machinery is in excess of £250,000; it was not considered acceptable that a lack of storage space meant that some items were being stored outside. Additionally, the lean-to, mostly used for storing bulk materials, had been condemned by Health & Safety, which led to a requirement for alternative storage facilities. With the builders on site the opportunity was also taken to upgrade the staff quarters.

## **Finance**

The Directors would ask you to note that the itemised 'income and expenditure' provided on pages 20 and 21 does not form part of the audited accounts and is not required under the provisions of the Companies Act 1985. This apart, this analysis is known to be of interest to the members and greater detail is included in this report to assist with your understanding of the accounts and year-on-year variances.

The 'detailed income and expenditure account' shows a trading loss for the year of £1,401. The income and expenditure has been much in line with budgets, but – as ever - there have been variances. Total subscription income and joining fees at £376,437 were as forecast. Income from green fees at £103,592 was slightly ahead of budget, but less than in 2002, when the Open was held at Muirfield. The number of pre-booked visitors and members' guests remains fairly constant, but numbers of casual visitors, i.e. those playing within seven days of booking, continues to decline. Bar revenues fell over the year, reflecting the negotiated reduction in the purchase price of beers and spirits. Turnover was £96,177, as against £102,434 in 2002. The volume of sales was fairly similar to 2002 and the margin improved from 41% to 45%. The margin *net of all expenditure*,

to include wages etc, at £11,724 showed an improvement on the 2002 figure of £10,129. The net income from the single gaming machine increased slightly over the year.

The four-yearly rent review was finalised over the summer, with a rental uplift from £46,000 to £50,500. The Directors are pleased to advise that negotiations to extend the lease until 2022 were also agreed during the summer and the Directors would thank Martin Andrews, Factor to Wemyss and March Estates, for his assistance with this.

Clubhouse Expenditure has decreased relative to 2002, primarily through a reduction on Clubhouse repairs and furnishings and direct employment of cleaners. Greens expenditure increased by 10%, compared to 2002, with significant increases recorded for the repairs to the irrigation system, course improvements and training costs. This latter item was an essential requirement to meet HSE legislation. Greens Shed Depreciation is a new item under the greens expenditure heads. The total cost of the shed at £39k was very close to the original tender. Additional costs were incurred as a result of extra concrete and hard-core to combat poor ground conditions and 'running sand', but commensurate savings were made in other areas. Admin expenses were slightly ahead of 2002. Ten of the Admin. Expense Heads showed an increase, with seven items showing a decrease. A significant saving was made in water rates, as the impact of standing charges from downsized water meters took effect. Legal charges and 'printing and stationery' costs fell, reflecting one-off charges in 2002 for production of the revised Rules & Byelaws Booklet. Insurances rose as a result of the additional charge of members' guests green fee insurance. Computer costs, which included upgrades, software training and consumables were higher. A number of repairs were carried out at the ProShop. Finally there were higher staff costs.

'Irrecoverable VAT' increased from £14,135 in 2002 to £20,124 in 2003. The recovery percentage of VAT continues to decline as a result of the falling ratio of vat-able income to overall income, i.e. the income from subscriptions forms a greater element of our total income each year, which results in a reduction in the recovery of VAT. No corporation tax liability occurred in 2003, but there was a credit following an over-provision of £746 in the allowance of £10,500 accruing to the previous four years.

During the year, term loans to the Royal Bank and The R&A for improvements to the irrigation system were paid off. A new fixed-rate term loan was taken out over 30 months to fund part of the construction of the new greenkeepers shed.

As at November 30<sup>th</sup> the market value of the Special Reserve was £134,649, significantly more than the valuation of £118,745 in 2002, but still behind the valuation of £146,107 in 2001 and £181,259 in 2000.

### **Strategic Review**

The amended management and reporting structures introduced in 2002 are beginning to pay dividends, although some fine-tuning is still required, particularly with the reporting procedures and responsibilities. There was a perception amongst some of the members that there was no longer a 'greens convenor' or a 'greens committee'. Accordingly the Property and Assets Committee has been re-named the Property & Greens Committee, with the Vice-Captain being tasked with reporting on all 'greens' issues. The Board has agreed that *all* Directors will be tasked with a specific role at Board level. Additional remits allocated to Directors include 'Health & Safety, 'Social', Clubhouse Development and Greens. The Management Team, comprising the General Manager and the Heads of Departments, i.e. Catering, Bar, ProShop and Greens, will continue to meet on a monthly basis, and – more importantly – has been tasked with taking responsibility for

the delivery of service to the membership. They have also been given the authority to achieve this. The Board will continue to set policy, but thereafter staff will be expected to deliver results.

With regard to capital developments, there was some delay with bringing the proposals forward as a result of the necessity to achieve prior approval from the Landlords for these proposals. This approval was obtained in late summer and the proposals were issued in the form of a newsletter in late October, accompanied by a questionnaire seeking your response in advance of a series of consultative meetings. Over 170 members returned their questionnaires, with strong support for all of the suggestions, although a number of concerns were evident from both the questionnaires and the consultation meetings.

The major issues concerned 1) the wish to retain a dedicated dining room or dining area within the Club, 2) assurances that there would be adequate funding for the developments and 3) confirmation that the course itself would remain the priority for investment and funding. Secondary concerns included the wish to retain the Back Bar at the existing size and the proposed location of additional locker facilities for the Ladies. The Project Management Team and the Property & Greens Committee addressed all of the concerns and issues which were raised. The original proposals were amended accordingly to take account of the concerns. Members were to be circulated by Newsletter and would be asked to indicate their approval.

### **Juniors**

The Juniors performed creditably during the season, including the trophy for finishing 1<sup>st</sup> in the Junior Section of the Winter League. Jillian McNicoll deserves a particular mention for winning the Ladies Championship. There are more than 120 Juniors in the Club, although there are still vacancies in the Girls Section. Coaching has been well supported throughout the year.

Regrettably pressures of work prevented Andy Longmuir from fulfilling his role as Junior Convenor and he stood down during the season. Harry Milburn, Club Captain, assumed nominal responsibility as the Junior Convenor, but for all practical purposes this role was undertaken by Allen Davis and the Directors are indebted to him for his efforts. The Board of Directors and the Ladies Section would also thank Lillas McNicoll for her efforts with the girls' section and the Junior Committee over the past two years. Lillas is retiring by rotation from the Ladies Committee.

There is a significant amount of work associated with the juniors, particularly organising their fixtures, and without the efforts of a few committed individuals it is unlikely that the juniors would continue to enjoy such success. The Directors agreed that there was a requirement to re-instate a Director with responsibility for Juniors, i.e. a Junior Convenor, who will report to the Board through the Membership Committee. The need to adhere to the Child Protection Policy will impact upon the Junior programme. As of 2003, taxis will be used to transport Juniors to and from 'away' matches. For the future, more assistance will be required from parents, particularly with supervision of younger children in the 'six-hole' competitions.

The Club continues to encourage and support Junior Golf and is indebted to Wemyss and March Estates for their contribution of £1,000 towards junior golf.

### **Ladies' Section**

The Ladies' section had a successful season in all respects. Changes of format were introduced to a number of events, and attendances throughout the season, both on the course and at social events, increased. The 'new look' RNLI Day raised the sum of £3,400: a fitting tribute to a great

team effort. The inaugural Ladies' Day (open to Gents and Juniors) was very successful. The Scottish National Golf Centre in Drumoig was the venue for the annual outing. The ladies enjoyed a successful playing season. Longniddry Ladies won all but one of their inter-club friendly matches. Congratulations to Glenda Simpson and Christine Broughton on winning the Scottish Final of the Tunisian Salver at Pitreavie. These ladies went on to represent Longniddry and Scotland in the Grand Final held in Tunisia in November.

### **Officers & Directors: Changes During the Year**

On retiring as the Club Captain, Harry Milburn demits office. Harry allowed his name to be put forward at a difficult time for the Club and has worked tirelessly to improve the facilities and services on offer, as well as driving forward the proposals for developments at the Clubhouse. Harry wishes the report to record his appreciation to the staff and the Directors for their help and support at a time of major re-structuring and development and to the membership for their support and understanding during this period of Club evolution.

James Bellany, the Vice Captain, has been nominated for election as Captain at the AGM in 2004 and the Directors so recommend his election.

Mrs C F Guthrie continues as Ladies Captain and is eligible for re-election to the Board. Regrettably Fiona Maciver has stood down as the Ladies Vice-Captain. In addition to serving as Ladies' Vice Captain, Mrs Maciver sat on the Property & Assets Committee and the Property Management Team and is to be thanked for her contributions to these committees. In accordance with the Articles of Association, the Ladies' Captain, Mrs C F Guthrie and the Ladies Vice-Captain, if elected at the Ladies AGM on January 24<sup>th</sup>, will be eligible for election to the Board and the Directors so recommend their election.

The Directors wish to record their grateful appreciation to Gordon Guiney, as Match Secretary, and Tom Buchanan, both of whom sat on the Membership Committee. Both gentlemen have made significant contributions to the Club during their tenure on the Board and it is with much regret that they are due to retire by rotation. Regrettably Leslie Lawns stood down as Finance Director early in 2003 due to pressures of work. Leslie is to be thanked for his contributions during his Directorship and also for his input with the provision of upgraded accommodation for the secretariat. Bob Salter took over the role of Finance Director and will continue in this capacity in 2004.

June McEwan continues as the Membership Convenor, with Jim Scott to convene the Property & Greens Committee. Alec Aithie, who has convened the Greens Committee and more recently the Property & Assets Committee, has been instrumental in providing the plans and proposals for capital developments, for which the Directors offer their sincere appreciation. Alec will remain on the Board with the role of project managing for capital developments at the Clubhouse.

An invitation was issued to all members in the summer newsletter asking for nominations as Directors. The following members responded in writing and subsequently agreed to be nominated for election to the Board: Dr Gavin Boyd, who will stand for election as Vice Captain; Vince Barron as Junior Convenor; Walter Thomson; as Social Convenor; Andrew Richardson as Convenor of Matches & Competitions. The Directors so recommend their election.

The Directors are most appreciative of the continued interest taken in the Club by the Rt. Hon. The Earl of Wemyss & March, Honorary President, and Mr T. Porteous, Honorary Vice-President.

Both these gentlemen have indicated their willingness to remain in office and their re-election is recommended.

### **Representative of Wemyss & March Estates.**

Martin Andrews remains in place as resident Factor. The Directors are grateful for his contributions and support during the year. The Directors also wish to thank the landlords for their assistance and encouragement for the development proposals.

### **Competitions**

The Directors congratulate all those members who took part in competitions and made the year so successful. The requirement for all members to play in three counting competitions to retain their handicap has failed to reverse the decline in the number of men entering competitions and a significant number of players' handicaps continue to be lapsed. Such players are required to re-validate their handicaps next year.

Over the years it has become more difficult to field teams for the inter-club matches. Anyone wishing to represent the Club in such events is invited to enter his name on the list in the Back Bar. Finally, the Directors offer their thanks to Gus Wilson and John Gray for their efforts with the Winter League Team.

### **Club Championships 2003**

The Club Champion	Mike Stanton	Runner Up	Gordon Milligan
The Ladies Champion	Jillian McNicoll	Runner Up	Wilma Gilmour
The 'B' Champion	Phil Cornwall	Runner Up	Barry Falconer
The Ladies Bronze Champion	Elizabeth Hamilton	Runner-Up	Elie Rawle
The Boys Champion	Chris Luca	Runner Up	Scott Shearer
The Girls Champion	Marie Penman	Runner Up	Lindsey Nicoll

### **Competition Winners 2002/2003**

#### **Girls**

The Dorothy Rennie Shield	Miss J L McNicoll
The Six Hole Championship	Miss L H Nicoll
The Kathleen Rose Trophy	Miss J Turner

#### **Ladies**

The Emma Sawers Cup	Mrs G J McCracken
The Beddows Quaichs	Mrs L S E Smith & Mrs G J McCracken
The Jubilee (Harrower) Salver	Mrs S E Black
The Morrison Cup	Mrs G J McCracken
The Nannie Scott Salver	Miss E L Hamilton
The Iris Benson Salver	Mrs J D McNeill & Mrs C D Gray
The Rose Trophy	Mrs K Holmes & Mrs J Anderson
The Rose Donaldson Rose Bowl	Mrs C F Guthrie
The McEwan Quaich	Mrs P M Paisley
The Latta Cup	Mrs E S Dundas
The Cooper Cup	Mrs S McCall
The Dora Sproull Cup	Mrs J D McNeill
The Seniors Open Greensome	Mrs F Sorlie & Mrs D Murray, Ratho Park (No Trophy)
The Maisie Walls Griffin Bowl	Mrs P D Mackenzie
The Dorothy Rennie Trophy	Miss S Leisk



## **Boys**

The Reywood Trophy	S W Currie
The Linwood Trophy	C M Luca
The Six Hole Int. Championship	C G Pollock
The Six Hole Short Championship	R Parkin
The Russell Patrick Trophy	S W Currie
The Bert Milligan Trophy	S McLean, Duddingston
The Sykes Trophy	C Brown, Musselburgh
The Tom Porteous Trophy	J Lockie, Tantallon
The J & B Watson Quaich	N B Cunningham
Junior Medal Winners Medal	M K Cunningham (No Trophy)
The Allen Davis Trophy	S W D Shearer
The George Morgan Trophy	M K Cunningham

## **Mixed Competitions**

The T Sawers Cups	Mr & Mrs R Milligan
The McEwan Trophies	Mr & Mrs R Milligan
The Mitchell Cup	Mr & Mrs D Bruce
The Greenmantle Trophy	Mr R & Mr G R Milligan
The Osborne Trophies	Mr & Mrs G R Paisley
The Open Mixed Foursomes	Mr D Galbraith (Dunbar) & Miss S Leisk
The Gilbert Dempster Rose Bowl	Mr J A McDougall & Mr S W D Shearer
The Merlinlee Trophy	The Ladies Won
The Members Day	Mrs C F Guthrie, A Lyle, J Lyle & E Hamilton (No Trophy)
The John Gray Trophy	K Cunningham, M K Cunningham, Miss L Reynolds R D Anderson

## **Men**

The Kincaig Trophies	J D Low & R J Long
The Abbot Cup	J D Low & R J Long
The Laird Quaichs	A D Tweedie & K J Scoular
The Sawers Cup	M S Robinson
The David Hayward Memorial	R W Renton
The Coronation Cup	A Smith
The Connor Cup	M Stanton
The Challenge Cup	M Graham (Snr)
The Jubilee Trophy / Wm Reekie Cup	J W Murray
The Royal Air Force Trophy	C D Taylor
The MacMerry Bowl	M Stanton
The Adair Trophy	G Bonnar
The Dick Sproull Trophy	W J Herd
The Stuart Forsyth Trophy	M Stanton
The Captain's Challenge Cup	H D Ramage
The Peter Barr Trophy	S Sutherland
The Teesdale Trophy	S Jarvis
The Famous Grouse Foursomes	G Bonnington & G Bonnington
The George Taylor Trophy	M Stanton & N Adam
The Enterprise Trophy	S Dingwall

Captain v Vice-Captain	The Captain's Team Won
Captain's Day	D J Ford, R J Ford & S Hunter
The Alex Harkes Trophy	R Milligan
The Gus McVey Memorial Trophy	W N Hutchison
The Durward Trophy	B W Erskine, Merchants of Edinburgh

### **Auditors**

Springfords, Registered Auditors, informed the Directors that on April 1<sup>st</sup> 2003 they transferred their entire business to Springfords LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, and accordingly resigned as auditors of the Company with effect from 8<sup>th</sup> December 2003.

The Directors recommend that Springfords LLP be appointed auditor of the Company with effect from 8<sup>th</sup> December 2003.

### **Statement of Directors' Responsibilities.**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and the surplus or deficit 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 estimates that are consistent and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the protection against fraud and other irregularities.

### **Small Companies Exemption**

The Directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985.



By Order of the Directors  
D N ROBERTSON  
Company Secretary  
January 2004

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF LONGNIDDRY GOLF CLUB LIMITED**

We have audited the financial statements of Longniddry Golf Club Limited for the year ended 30 November 2003 which comprise the income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Springfords LLP*  
**SPRINGFORDS LLP**  
Chartered Accountants  
Registered Auditors

*Dundas House*  
*Westfield Park*  
*Eskbank*  
*Edinburgh*

**14 January 2004**

LONGNIDDRY GOLF CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	598,307	580,788
Operating expenditure		(418,086)	(405,486)
		<u>180,221</u>	<u>175,302</u>
Administration expenditure		(186,915)	(178,333)
Operating (deficit)	3	<u>(6,694)</u>	<u>(3,031)</u>
Other income	4	5,137	8,802
Interest payable		(600)	(1,598)
(Deficit)/surplus before taxation		<u>(2,157)</u>	<u>4,173</u>
Taxation	5	756	(10,500)
(Deficit) retained for the year	13	<u>(1,401)</u>	<u>(6,327)</u>

None of the company's activities were acquired or discontinued during the above two financial years.

Movements in reserves are detailed in notes 12 and 13.

There is no difference between the deficit or surplus on ordinary activities before taxation and the retained deficit for the years stated above and their historical cost equivalents.

LONGNIDDRY GOLF CLUB LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 2003

	Notes	2003 £	2002 £
£			
<b>Fixed assets</b>			
Tangible assets	6	200,210	193,088
Investments	7	109,090	82,801
		<u>309,300</u>	<u>275,889</u>
<b>Current assets</b>			
Stock	8	8,392	7,732
Debtors	9	2,986	2,799
Cash at bank and in hand		7,364	29,811
		<u>18,742</u>	<u>40,342</u>
<b>Creditors: amounts falling due within one year</b>	10	(72,412)	(76,873)
<b>Net current liabilities</b>		<u>(53,670)</u>	<u>(36,531)</u>
<b>Total assets less current liabilities</b>		255,630	239,358
<b>Creditors: amounts falling due after more than one year</b>	11	(18,000)	(2,428)
		<u>237,630</u>	<u>236,930</u>
<b>Reserves</b>			
Special reserve	12	107,146	105,045
Machinery reserve	12	30,000	30,000
Revenue reserve	12	100,484	101,885
<b>Members' funds</b>	13	<u>237,630</u>	<u>236,930</u>

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 applicable to small companies in the preparation of the financial statements.

The financial statements on pages 12 to 22 were approved by the board of directors on 13 January 2004 and signed on its behalf by:-

Director  
Professor G H W Milburn



Director  
R W Salter



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

**1 ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

**Cash flow statement**

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

**Fixed assets**

The cost of fixed assets is their purchase price together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:-

Clubhouse improvements	The shorter of the length of the lease and the asset's estimated useful life.
Irrigation system	
Green, clubhouse and administrative equipment	25% straight line

The lease expires in 2022.

**Stock**

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

**Pension Scheme**

The assets of the Longniddy Golf Club Retirement Benefits Scheme are held separately from those of the club and administered by the Scottish Amicable Life Assurance Society. The club make a contribution of 5% of gross salaries and each employee has the opportunity to make voluntary contributions. The contributions are accounted for on an accruals basis.

**Subscriptions**

The club accounts for subscriptions on a cash basis.

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at their estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**2 TURNOVER**

Turnover represents the gross income of the club exclusive of value added tax.

LONGNIDDRY GOLF CLUB LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

**3 OPERATING (DEFICIT)**

	<b>2003</b>	<b>2002</b>
	£	£
The operating (deficit) is stated after charging:-		
Auditors' remuneration	2,200	2,100
Depreciation		
Owned assets	52,898	53,233
Leased assets	5,076	5,076
Rental of land and buildings	<u>50,500</u>	<u>50,000</u>

**4 OTHER INCOME**

	<b>2003</b>	<b>2002</b>
	£	£
Dividends - gross	2,456	2,711
Interest	798	962
Loss on sale of investments	-	(4,753)
Sundry surplus	<u>3,984</u>	<u>7,840</u>
	<u>7,238</u>	<u>6,760</u>
Transfer (to)/from Special reserve	<u>(2,101)</u>	<u>2,042</u>
	<u>5,137</u>	<u>8,802</u>

**5 TAXATION**

	<b>2003</b>	<b>2002</b>
	£	£
Corporation tax charge	-	2,220
Adjustment relating to prior years	<u>(756)</u>	<u>8,280</u>
	<u>(756)</u>	<u>10,500</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

6 TANGIBLE FIXED ASSETS

	Course improvements £	Clubhouse improvements £	Clubhouse equipment £	Green equipment £	Irrigation system £	Admin equipment £	Total £
<b>Cost</b>							
As at 1.12.02	9,807	48,170	41,940	327,065	203,522	16,813	647,317
Additions	45,494	3,020	3,905	11,659	-	1,018	65,096
Disposals	-	-	-	-	-	-	-
As at 30.11.03	55,301	51,190	45,845	338,724	203,522	17,831	712,413
<b>Depreciation</b>							
As at 1.12.02	3,737	22,741	35,850	284,204	92,853	14,844	454,229
Charge for year	3,743	4,568	5,814	23,818	18,444	1,587	57,974
Disposals	-	-	-	-	-	-	-
As at 30.11.03	7,480	27,309	41,664	308,022	111,297	16,431	512,203
<b>Net book value</b>							
As at 30.11.03	47,821	23,881	4,181	30,702	92,225	1,400	200,210
As at 30.11.02	6,070	25,429	6,090	42,861	110,669	1,969	193,088

Included in fixed assets are assets under finance lease with a net book value of £nil (2002 – £5,076). The depreciation charge on the assets is included in note 3.

7 INVESTMENTS

	2003 £
<b>Cost</b>	
As at 1 December 2002	82,801
Additions	26,289
As at 30 November 2003	109,090

The market value of the investments, which are all quoted on the London stock exchange, is £130,789 (2002 - £90,344).

8 STOCK

	2003 £	2002 £
Stock of liquor and tobacco	8,287	7,613
Other	105	119
	8,392	7,732



LONGNIDDRY GOLF CLUB LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

**9 DEBTORS**

	<b>2003</b>	<b>2002</b>
	£	£
Prepayments and accrued income	2,986	2,799

**10 CREDITORS: amounts falling due within one year**

	<b>2003</b>	<b>2002</b>
	£	£
Bank overdraft	4,871	10,539
Bank loan	12,000	12,000
Trade creditors	28,535	8,725
Corporation tax	-	10,500
Other taxes and social security	12,281	9,781
Other loans	-	6,000
Accruals and deferred income	13,135	15,516
Finance lease creditor	1,590	3,812
	<hr/>	<hr/>
	72,412	76,873

**11 CREDITORS: amounts falling due after more than one year**

	<b>2003</b>	<b>2002</b>
	£	£
Bank loan	18,000	837
Finance lease creditor	-	1,591
	<hr/>	<hr/>
	18,000	2,428

Finance lease creditors are secured over the assets to which they relate.

LONGNIDDRY GOLF CLUB LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

11 **CREDITORS:** amounts falling due after more than one year (continued)

The loans are repayable in monthly instalments as follows:-

	2003		2002	
	Bank loan £	Other loans £	Bank loan £	Other loans £
In one year or less	12,000	-	12,000	6,000
Between one and two years	12,000	-	837	-
Between two and five years	6,000	-	-	-
	<u>30,000</u>	<u>-</u>	<u>12,837</u>	<u>6,000</u>

**Obligations under finance leases and hire purchase contracts**

These are repayable by monthly instalments as follows:-

	2003 £	2002 £
In the next year - see note 10	1,590	3,812
In the second to fifth year	-	1,591
	<u>1,590</u>	<u>5,403</u>

12 **MOVEMENTS IN RESERVES**

	Special Reserve £	Machinery Reserve £	Revenue Reserve £
As at 1 December 2002	105,045	30,000	101,885
(Deficit) for the year	-	-	(1,401)
Transfer from revenue reserve	2,101	-	-
As at 30 November 2003	<u>107,146</u>	<u>30,000</u>	<u>100,484</u>

13 **RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	2003 £	2002 £
As at 1 December 2002	236,930	245,299
(Deficit) for the year	(1,401)	(6,327)
Transfer to/(from) Special Reserve	2,101	(2,042)
As at 30 November 2003	<u>237,630</u>	<u>236,930</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

**14 PENSION CONTRIBUTIONS**

The pension charges of the company amounted to £5,255 (2002 – £4,505). The outstanding contributions at the balance sheet date were £795 (2002 - £666). These amounts relate to the pension scheme as detailed in note 1.

**15 ANNUAL OBLIGATIONS UNDER NON-CANCELLABLE OPERATING LEASES**

	Land & Buildings 2003 £	Land & Buildings 2002 £
Leases which expire:		
In more than five years	<u>50,500</u>	<u>50,000</u>

**DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2003**

	2003 £	2002 £
<b><i>Income</i></b>		
Subscriptions	343,410	319,009
Entrance fees	33,027	29,835
Locker rents	1,309	1,350
Green fees	103,592	106,188
Buggie Hire Surplus	322	227
SGU & SLGA levy	6,148	8,070
	<hr/> 487,808	<hr/> 464,679
<b><i>Clubhouse expenditure</i></b>		
Clubhouse cleaning	(14,861)	(15,919)
Repairs and furnishings	(22,526)	(25,446)
Heating and lighting	(12,386)	(13,114)
Depreciation	(10,382)	(9,397)
Social function expenses	(3,305)	(3,421)
Sundry expenses	(5,613)	(5,350)
Security costs	(4,475)	(4,263)
	<hr/> (73,548)	<hr/> (76,910)
<b><i>Greens expenditure</i></b>		
Green wages and pensions	(130,106)	(126,112)
Insurances and licences	(572)	(1,010)
Repairs and replacements	(26,530)	(20,106)
Fertilisers and sands	(21,044)	(19,968)
Fuel	(1,982)	(1,971)
Depreciation of equipment	(23,818)	(27,609)
Depreciation of irrigation system	(18,444)	(18,445)
Depreciation of Shed	(2,296)	-
Heat, light and telephone	(1,634)	(1,303)
Sundry expenses	(3,290)	(4,494)
Hire purchase interest	(754)	(754)
Irrigation costs	(7,646)	(932)
Course improvements	(6,936)	(2,480)
Training	(2,844)	-
	<hr/> (247,896)	<hr/> (225,184)
<b><i>Matches and Competitions</i></b>		
Entry fees	6,669	6,521
Prizes	(4,095)	(4,265)
Other	(5,419)	(4,147)
	<hr/> (2,845)	<hr/> (1,891)
<b>Surplus on golfing activities</b>	<hr/> 163,519	<hr/> 160,694
<b><i>Bar sales</i></b>	96,177	102,434
Bar purchases - stock adjusted	(52,691)	(60,344)
Bar salaries	(30,787)	(31,001)
Stocktaking fees	(975)	(960)
<b>This page does not form part of the audited accounts.</b>	<hr/> (84,453)	<hr/> (92,305)

**DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2003**

	£	2003 £	2002 £	£
Balance brought forward	(84,453)		(92,305)	
<b>Bar surplus gross profit 45.2% (2002 41.1%)</b>		11,724		10,129
<i>Gaming machine income</i>	7,653		7,154	
Expenses	(2,675)		(2,675)	
<b>Surplus on gaming machines</b>		4,978		4,479
<i>Other income</i>				
Dividends	2,456	2,711		
Interest	798	962		
Loss on sale of investments	-	(4,753)		
Sundry surplus	3,984	7,840		
	7,238	6,760		
Transfer (to)/from special reserve account	(2,101)	2,042		
		5,137		8,802
		185,358		184,104
<b>Administration Expenses</b>				
Rent	(51,874)		(49,333)	
Rates	(2,246)		(5,223)	
Secretarial salaries and expenses	(48,536)		(43,542)	
Club professional's retainer	(16,804)		(16,304)	
Insurances	(5,114)		(3,948)	
Repairs to pro shop and links cottage	(4,816)		(3,095)	
Printing and stationery	(3,900)		(5,426)	
Computer expenses	(3,472)		(2,477)	
Telephones	(2,013)		(1,910)	
Postage and incidentals	(3,154)		(2,028)	
SGU, SLGA and LGA levy	(6,638)		(9,325)	
Grant to ladies section	(3,000)		(3,000)	
Bank charges and overdraft interest	(2,525)		(2,801)	
Audit and accounting fees	(2,200)		(2,100)	
Legal and professional fees	(3,668)		(6,144)	
Marketing	(1,238)		(1,242)	
Depreciation	(3,034)		(2,858)	
Sundry expenses	(2,280)		(3,379)	
		(166,512)		(164,135)
Irrecoverable VAT		(20,403)		(14,198)
Interest on term loan		(600)		(1,598)
(Deficit)/surplus		(2,157)		4,173
Taxation		756		(10,500)
<b>(Deficit) for the year</b>		(1,401)		(6,327)

This page does not form part of the audited accounts.

# LONGNIDDRY GOLF CLUB LIMITED

(By Guarantee)

Company Number 31269 (Scotland)

Registered Office:

The Clubhouse, Longniddry, East Lothian, EH32 ONL.

Telephone: 01875 852141

## NOTICE IS HEREBY GIVEN

that an Extraordinary General Meeting of Members will be held in the Clubhouse on

Thursday 19th February 2004 at 7pm

for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

### Special Resolution

That the Articles of Association of the Company be and are hereby altered by deleting Regulation 4.1 of the Articles of Association and substituting the following as a new Regulation 4.1 of the Articles of Association:-

*"Until 31<sup>st</sup> January 2005 there shall not be more than 670 ordinary members of the Club and from and after 1<sup>st</sup> February 2005 no person shall be admitted as an ordinary member of the Club if the admission of that person as an ordinary member of the Club would cause the number of ordinary members of the Club to exceed, or to further exceed, 650."*

By order of the Directors

Neil Robertson

Company Secretary

January 2004

A member is entitled to appoint a proxy, who need not be a Member of the Company, to attend and vote at the meeting in his or her stead. To be valid, the said Proxy Form must be deposited at the Registered Office of the Club not less than 48 hours before the time for holding the meeting.

The purpose of the Special Resolution is two-fold.

Firstly there is a requirement to *re-instate* the regulation whereby the maximum number of ordinary members is restricted to 650. This upper limit of 650 was increased to 670 members in 1996 to allow absorption of the Artisan membership into the Club. At this time a commitment was given to revert to the original number of 650 members by 2005.

Secondly there is a wish to create a single waiting list, such that there is a waiting list for membership, rather than a Ladies Waiting List and a Men's Waiting list. This would seek to remove the anomaly, whereby ladies were offered membership within two years of application, but men waited five years or more for an offer of membership.

The Board has agreed, however, that it is in the Club's best interests to retain a core membership of 170 ordinary ladies. Accordingly the Rules and Byelaws are amended as follows:

If at any time the number of ladies who are ordinary members is less than 170 and a vacancy for ordinary membership becomes available, the directors shall offer membership of the Club to ladies on the waiting list for ordinary membership of the Club according to the seniority of ladies determined by time on the waiting list, until such time as there are 170 ordinary members who are ladies; and if a vacancy for ordinary membership of the Club becomes available when the number of ladies who are ordinary members of the Club is 170 or more, membership of the Club will be offered to the applicants for membership on the waiting list according to the seniority of the applicants determined by time on the waiting list, irrespective of whether the applicants are gentlemen or ladies.

# **LONGNIDDY GOLF CLUB LIMITED**

(By Guarantee)

Company Number 31269 (Scotland)

Registered Office:

The Clubhouse, Longniddry, East Lothian, EH32 0NL.

Telephone: 01875 852141

## **FORTYEIGHTH ANNUAL REPORT ACCOUNTS AND BALANCE SHEET to 30th November 2003.**

### **NOTICE IS HEREBY GIVEN**

that the forty-eighth Annual General Meeting of Members will be held in the Clubhouse on Thursday 19<sup>th</sup> February 2004 immediately following the Extraordinary General Meeting of Members to be held at 7pm.

A member is entitled to appoint a proxy, who need not be a Member of the Company, to attend and vote at the meeting in his or her stead. To be valid, the said Proxy Form must be deposited at the Registered Office of the Club not less than 48 hours before the time for holding the meeting.

### **AGENDA**

1. Minutes of the previous A.G.M.
2. Directors' Report
3. Accounts and Balance Sheet
4. Election of Officers and Directors
5. Appointment of Auditors
6. Any other competent Business

By order of the Directors

Neil Robertson  
Company Secretary  
January 2004