

Nairn Dunbar Golf Club

Annual Report & Financial Statement

for the

Year Ended 30th September 2019



The Annual General Meeting will be held in the clubhouse,
Nairn at 7.30pm on TUESDAY 10th DECEMBER 2019

S. Park, Captain
R. Stewart, Director of Golf

NAIRN DUNBAR GOLF CLUB

Notice is hereby given that the ANNUAL GENERAL MEETING of the Club will be held within the CLUBHOUSE on Tuesday 10th December 2019 at 7.30pm for the undernoted business:

1. Minutes of ANNUAL GENERAL MEETING of Tuesday 11th December 2018
2. To approve and adopt the accounts for the year to 30 September 2019
3. To re-elect Johnston Carmichael as accountants of the Club
4. Review of the past year – Mr Sandy Park (Captain)
5. Election of Office Bearers:

Nominations for Club Officials are as follows:

President: Sandy MacRae, proposer Sandy Park seconder David Bunker

Vice President: David Mein, proposer Sandy Park seconder David Bunker

Vice President: Alistair Clunas, proposer Sandy Park seconder David Bunker

Vice President: Margaret McFeat, proposer Sandy Park seconder David Bunker

Captain: David Bunker, proposer Sandy Park, seconder Tom Donnelly

6. Election to the Committee of Management:

Nominations for Committee of Management:

NAME	PROPOSER	SECONDER
Ian Fraser	David Bunker	Stuart Henderson
Alex Fraser	Angela McOwan	George Anderson
Angela McOwan	David Bunker	Tom Donnelly
David Butt	George Anderson	Tom Boyle
Ian Duncan	Sandy Park	David Bunker
Ron Cameron	David Bunker	Sandy Park

7. Motions:

Honorary Membership

Proposed by Brian A Watson, Seconded by William A Barron

“The proposal is that members who have been members of Nairn Dunbar for 60 years should be awarded Honorary Memberships.”

Tree Removal

Proposed by Deyne Miller, Seconded by William M Main

“I would formally like to propose that unless a tree is damaged, diseased, dying or dangerous to the public that there are no more trees removed from Nairn Dunbar Golf Course and that all trees that are deemed to have any structural defects should be marked and inspected before removal by a member of the golf club.”

8. In accordance with Clause 10 of the Constitution, the annual Members' Subscription for the year 2019 will be:

Member Category (Age as at 1 st January)	Subscription 2020	Subscription 2019
Ordinary member (over 30 as at 1st Jan)	£670.00	£640.00
Ordinary member (joined before 1/1/99 aged 65+ with 10 years uninterrupted membership)	£460.00	£430.00
Ordinary member (over 80 with 10 years continuous membership)	£460.00	£430.00
Ordinary member (24 to 29)	£475.00	£455.00
Ordinary member (21 to 23)	£315.00	£300.00
Ordinary member (18 - 20)	£265.00	£250.00
Country Member	£380.00	£363.00
Junior (16 to under 18)	£120.00	£115.00
Juvenile (under 16)	£40.00	£90.00
House member**	£25.00	£25.00
Joint House members (per couple)**	£30.00	£30.00
House member (partner of player)**	£5.00	£5.00
Locker Fee	£20.00	£20.00

In addition, the Scottish Golf Levy is £14.50, North District Levy is £3.20, Personal Liability Insurance is £3.30 making £21.00 in total for Ladies and Gents. All categories except Honorary, Country, Junior and Juvenile Members are due to pay a Bar and Catering Credit of £25.00

9. Any other competent business

- 1) Entertainment for Social Members
- 2) Dogs allowed on the Golf Course

**By order of the Committee of Management
Robbie Stewart, Director of Golf, December 2019**

CAPTAIN REPORT FROM, Sandy Park

This has been another hard year again for the Club we are very indebted to all of our volunteers on the course, in the House and our expert gardeners who make our gardens look so good, our many sponsors a big thank you to you all.

Our thanks to our Director of Golf, Robbie Stewart, and his staff for a first-class shop and coaching facilities members have supported them well keep that up

Thanks to all staff on the course, in the clubhouse and office, well done to you all.

The juniors have had a great year a very well done to you all and we hope this continues for many years to come.

My committee have been very supportive and have worked hard this year to get this great Club back where we belong, the future is looking better with the involvement of The Amateur Championship 2021 also more interest from the Golf Tour Operator Business, we hope the visitor numbers will be up next year.

Finally, to all members thank you for supporting your Club, the new committee deserve our 100% support.

FINANCE REPORT FROM, David Bunker, VICE-CAPTAIN

It is disappointing to report that the Club incurred a substantial deficit of £93,845 during the year to 30 September 2019. The key element contributing to this deficit was a short fall of around £61,000 in projected income which, when added to the projected deficit of £28,000 reported at last year's AGM, accounted for most of this year's outcome. Overall expenditure was £6,000 (0.8%) adverse to budget.

Key adverse variances to budget on the income side are as follows:

Subscriptions and affiliation fees - £22,463 – we lost over seventy full and around thirty youth and junior members during the year. The key reasons for this reduction were people only playing once or twice a year and therefore not justifying their membership, some Inverness members transferred their membership to the Kings Club and a small number to local clubs. Other members resigned due to work related transfers from the area and, regrettably some members passed away during the year, the age profile of our membership is rising. At the current time 56% of our playing membership is aged 60 and above with a further 24% in the 50 years to 60 years bracket.

This reduction in membership numbers is set against a backcloth of a steady decline in golf club memberships generally throughout the country. There is a growing number of Clubs that have been forced to close or are facing closure with many more having to operate on much reduced budgets.

Visitor green fees - £11,581 – the wet summer did not help but business from tour operators and our local Nairn ticket showed a welcome increase.

Locker rents and competition income - £3,032 – less activity from the members

Catering - £14,893 – it is the case that total sales for both bar and catering held up remarkably well in a difficult climate but we did not meet the projected gross profit margin for catering sales (actual 45.3% v projected 55%)

Other income - £8,949 – projected income from buggies was lower than forecast and advertising, sponsorship and social sundries income was less than budget.

On the expenditure side:

Course expenditure came in right on budget. There was an overspend of £6,566 for extra seeds, fertiliser etc to deal with the reparation to the fairways associated with the drought conditions last year. Machinery repairs and other costs were £3,778 higher than budget, remember our fleet of course machinery is on the old side. These additional costs were partially offset by a reduction of £4,338 in the charge for depreciation. We engaged the services of an apprentice greenkeeper during the year which was not in our budget but still managed to keep the wages costs to £5,980 within budget. Well done to the team.

Clubhouse expenditure was £1,052 less than forecast. Clubhouse wages although marginally lower than last year were £9,305 higher than budget but this adverse variance was more than off set by savings achieved from a robust review of such items as cleaning, electricity etc carried out by Kieran during the year. Total Clubhouse expenditure in 2017 was £271,988, in 2018 £261,938 and in 2019 £250,662 – a welcome trend but still work to be done.

Administration expenses were £7,284 adverse to budget. Professional retainer, secretarial expenses and employers pension contributions accounted for £11,011 of this total and this was partially off set by savings in postages, printing and stationery etc. Juniors expenditure relates to Gary's coaching retainer of £1275, the Club's contribution of £1035 towards a TPI coaching course for Gary and sundry minibus costs for Junior team matches.

The Capital Account in the Balance Sheet has been reduced to £410,713.

As can be seen from the Source and Application of Funds statement there was a net decrease in bank and cash resources of £89,499. It is no exaggeration to say that our cash position is in a parlous state. Set against the headwinds facing golf generally in the country we face some stiff challenges in the months and years ahead. During 2017/18 according to a report by KPMG there were 7,521 fewer registered golfers in Scotland representing a 4% drop. Over the past five years there has been a 14% decline. These figures do not include nomadic golfers who are still keen to play the game but are not members of any golf club. Let's not forget that it is in this market that we are operating.

We have said before at these meeting that members' subscriptions are a key element in any golf club's income stream and, of course, Nairn Dunbar Golf Club, is no different. Please continue to support your Club by renewing your membership promptly and by doing all that you can to attract new members, in all categories, to the Club.

My sincere thanks are due to Kieran and Gemma in the office and to Angela and Ron in the Finance Group.

Membership as at 1 January 2019

<u>Gentlemen</u>	<u>Ladies</u>	<u>House/Social Membership</u>
Ordinary—299	Ordinary—41	Individual—150
Senior—63	Senior—21	Joint—43 (86)
Country—57	Country—89	Partner—49
Over 80's—7	Over 80's—0	Total—285
24 to 29—14	24 to 29—0	<u>Life/Honorary/Staff Membership</u>
21 to 23—12	21 to 23—2	Life—5
18 to 20—3	18 to 20—0	Honorary—Gents 10, Ladies 5
Junior 16 to 17—10	Junior 16 to 17—3	Staff—Gents 6, Ladies 3
Juvenile under 16—31	Juvenile under 16—12	
Introductory—14	Introductory—6	
Total—510	Total—94	

HOUSE & ENTERTAINMENT REPORT FROM CONVENOR, Gordon Ralph

So far, this has proved to be a busy year for Diane and her team with many Club/Associations, birthday celebrations and wedding events taking place, including numerous funeral teas that have also been booked throughout the year.

The Grand Draw has been reinstated since the summer interval and I'm sure will become a popular event once again. However, accompanying entertainment on these dates has not always been possible due to cost, versus the intention of making a measure of profit from this type of event which goes towards the club funds and build on the draw cash prize.

Our various annual competitions, including the Seniors 4 Day Open, 5 Day Open and Howitt Open, to name a few, have all contributed to the income of the clubhouse as a whole. An income which is needed and greatly appreciated.

We look forward to the upcoming House and Entertainment events to conclude our year end. Namely the combined December Christmas Party and Grand Draw event with live music from Alfie McQuade followed by the Hogmanay Celebrations (tickets now on sale) with music from The Andy Ross Trio. These dates have been well attended in the past and hope this year is no exception.

200 CLUB REPORT FROM, Rosie Storm

Rosie Storm took over assisting the 200 Club in October 2018 at which point we had 140 members. With dedication, Rosie has managed to increase members to 200.

Unfortunately, due to certain circumstances, we have lost several members throughout the year- It is our aim to achieve Stans success by reaching 230 members in 2020.

DIRECTOR OF GOLF REPORT FROM, Robbie Stewart

At the end of my first full year at the Club I'd like to take this opportunity to thank you for your support in both my role as Director of Golf and in the pro shop. I'd also like to thank the club's staff for their support. The office staff, clubhouse staff, greenkeepers and professional team have all worked hard to provide club members and visiting golfers with a high level of product and service. We are committed to continually improving all that we do.

Despite the fact that the club's financial position has cast a shadow over the club in recent times, there have been many successes and good news stories throughout the year. In particular, the junior section under the guidance of Chris Reid has flourished with some great performances, both as a team and individually. As a club we continue to support various national initiatives with a view to making golf an attractive sport for both boys and girls.

On the marketing front, we attended the Scottish Golf Tourism Show at St Andrews at the end of October and it was noticeable how much more aware the Tour Operators were this year of Nairn Dunbar, where we are and what we do. We are optimistic that by attending these events, selling the club and building relationships with Tour Operators, we will achieve an increase in visitor income in the years ahead. In addition, we now have combined visitor packages with The Nairn Golf Club, Moray Golf Club, Elgin Golf Club and Inverness Golf Club, with the hope of promoting our area as a serious golfing destination, encouraging visiting golfers to stay in the area for longer.

We have tee time capacity, especially during the afternoons, to substantially increase visitor numbers without impacting on members' times and if this can be achieved future subscription increases will obviously be minimised. However, I am fully aware that the weather more than anything will dictate how successful we are in increasing visitor rounds, so have my fingers crossed that we enjoy favourable weather next summer.

I am delighted that we are co-hosting qualifying rounds for The Amateur Championship in 2021 along with The Nairn Golf Club. The Club and its staff have worked extremely hard to improve and upgrade the golf course and our selection by the R & A makes all the hard work worthwhile. It will certainly be a thrill for everyone associated with the Club to host one of the biggest events in amateur golf.

I said in my AGM report last year that I was convinced that Nairn Dunbar had the potential to become a leading golf club in the area. Despite the fact we are now operating in an extremely volatile and fragile industry, I am even more convinced that we will succeed and grow by providing the range of services that the 21st century golfer demands. I encourage you to re-join your club, support your club and assist your club to become what you want it to be.

Best wishes for a happy golfing 2020.

JUNIOR REPORT FROM CONVENOR, Chris Reid

Nairn Dunbar juniors had a brilliant season winning both the Gordon Wilken & Nairn & Moray League double for the first time using 14 juniors along the way...great achievement.

All 14 players have made significant cuts to their handicaps with Kaci Robertson coming down from 53 to 25 this season winning most of the trophies and Alistair McNeill coming down from 18 to 6. This is due to their hard work through Winter and professional guidance from Gary Lister.

Other achievements are Iona Reid winning the Ladies Scratch Championship, Ladies Forres Open with a hole in one and North District Handicap Match Play Championship in October. William Nicol winning Forres Junior Open and North District U18 Matchplay Championship, with 9 Nairn Dunbar players making the cut to match play playoffs.

Ross Main and Kaci Robertson winning at North District level as well as club level.

Andrew Matheson winning the Russel Knox Trophy, Fraser Brown winning the Scottish Development Academy Trophy (which is the second time won by Nairn Dunbar Juniors with Iona Reid winning it last year).

Girls Club Championship Gemma Marples, Boys Club Championship Scratch winner Alex McGillivray and Boys Club Championship Handicap winner Lewis Cameron. Summer Eliot was selected for Scotland U14s in Wales and selected for performance academy also Katrina Tan winning the Ladies Northern County Handicap Championship.

I must say a huge thank you to the following for their continued support throughout the year; Gary Lister for the support and teaching all the juniors, Robbie Stewart for sponsoring the junior tops., Will and Iona for making a great team better with support and to all the parents for your help throughout the year.

JUNIORS – ‘Dream big, practice hard as dreams can come true’.

MATCH AND HANDICAP REPORT FROM CONVENOR, George Anderson

It was pleasing to have Robbie Stewart and his team in the pro shop to help the efficient running of our competitions and Kenny Campbell collating the scores. It makes life easier for match and handicap having their help.

Congratulations to our Club Champions: Scratch – William A Barron, Low Handicap – Shaun Innes, High Handicap – Kieran Maclean.

Medal Order of Merit winner this year was Kenny Campbell.

Both our scratch and handicap teams competed in the Moray & Nairn Leagues but without success. Our Open Competitions were well subscribed, with many of the visitors making very positive comments about the condition of our course. Club Competitions – entries in competitions were down this year. It has now been decided from next year not to have redraws in the monthly medals.

4 Day Seniors Open & 5 Day Open were well subscribed but we do need to attract more lady golfers to enter our 4 Day Senior Open.

Next year a new handicap system comes into play, November 2020 so please 'Watch All Notices' on this change.

A big thank you to all starters, scorers and recorders for their efficient work over the year.

LADY'S SECTION REPORT FROM, Angela McOwan

Ladies Organising Group update

It has been a busy year for Dunbar ladies this year. The season's competitions were won with a spread of 16 different winners throughout the year. The Ladies Open in June saw 102 Ladies taking part (110 in 2018). 69 took part in the 3 Lady Team.

Re-establishing Lady Captain & Committee

The organising group has been successful however is there an appetite to bring back Lady Captain role? If it is not reinstated, we may, in time, be absorbed into the general club's organisation and have little say in matters that could affect the ladies. Angela is on the current main committee and will stay on with the ladies' section for 2020. If anyone is interested in joining the group, they would be very welcome.

Moray & Nairn League

Thanks to all ladies who take part in the league matches

SILVER: Winners Nairn Dunbar, Runners up Elgin

Trophies were presented at the annual dinner which was held in Nairn Dunbar Golf Club on Saturday 12th October at the 50th anniversary celebrations. We had over 76 ladies taking for golf and dinner, which ended up a good day all round.

Scottish Veteran Ladies—Nine ladies from Nairn Dunbar played in the Vets this year which is the same number as last year. All the matches were well attended, and congratulations go to Liz McEwen who won the silver division at Hopeman in July.

Tuesday Ladies—The Tuesday Ladies enjoyed a successful year with good numbers playing every week in what was very kind winter weather.

The highlights of the year being our social matches with the over 55 Gents in October and March, the Christmas Lunch in December. Lastly, we enjoyed a great day out at Fortrose and Rosemarkie Golf Club early in August.

Thanks to Rena for all her help in looking after all our finances, and all the members who make it a friendly fun group to be part of.

GREENS REPORT FROM CONVENOR, Kennv Donnelly

The 2019 season started extremely cold and dry which extended through almost all of Spring, only to be replaced by consistent heavy rainfall throughout the Summer and Autumn. Although these conditions made it difficult to manage at times, Course Manager Richard Johnstone and his team have worked hard to provide a true test of links golf and consistent playing conditions on a day to day basis. As a result, the course has received some great feedback regarding course conditioning from members, visitors, tour operators and have been rewarded with a jump of 5 places in the latest Top 100 Golf Course rankings.

The early months of the season were spent on the reconstruction of new teeing surfaces at the 10th and 11th holes which now sit amongst some quality links land. The continued tree and gorse management plan this year focused on holes 1, 8, 10, 11 and 12, 13 and 18. This work alongside the creation of a bare sand habitat has proven to be a great success allowing air movement and increased sunlight providing us with much firmer surfaces and has unveiled more of the course's dune landscapes and natural links like undulations. The fairway bunkers on holes 1 and 16 were also reconstructed with a new revetted faces and surrounding areas contoured to gather errant shots.

Richard and the team once again focused on a sustained over-seeding programme aimed at re-establishing the fine textured bent and fescue grasses that once dominated this links. With significant amendments made to organic matter levels in 2016/17 we are now at stage where there is no requirement to carry out invasive Graden or hollow coring work to surfaces. We were able to implement a maintenance week in both April and September this year allowing us to incorporate 560kg of fescue seed into the greens and approaches, and although topdressing has been reduced there was still around 160 Tonnes applied to surfaces. The work was supported by Agronomist Gary Smith from the STRI who visited in July and Richard Windows who visited on behalf of the R&A in September as preparations begin ahead of co-hosting The Amateur Championship in 2021. Both Reports included detailed performance analysis and indicated consistently firm, true and smooth surfaces throughout the site with a continued progress made to the botanical composition of the sward. Through the growing season a considerable amount of attention was also focused on the recovery of the fairways severely damaged by the drought and heat stress of 2018. Although these fairways have improved substantially since the start of the 2019 season there will be further remedial work needed in 2020 to complete a full recovery

After the drought of 2018 and the realisation that our 30-year-old Irrigation system was no longer fit for purpose the club made the decision to Invest in the latest Rainbird Irrigation control panel and replace all of the old decoders which failed us the previous year ,thus while continually paying close attention to our rolling 5-year replacement programme. This installation has meant the team now have a reliable system in place which is able to apply irrigation more accurately providing first class conditions. In June the course maintenance team appointed an Apprentice Greenkeeper taking the team from five to the recommended minimum of six for a championship course. Ryan has already settled into the team perfectly and has shown a keen interest to learn and develop which will benefit the progression of the team moving forward.

Our winter maintenance programme this year includes the reconstruction of some of our current worn and tired revetted bunkers on holes 2, 3, 8, 11 and 14. It is our intention to complete the construction of a new tee at the 15th improving the alignment of the hole and reduce health and safety concerns from the caravan site which runs adjacent to the current driving line.

We will continue with our gorse and tree management plan with the removal of small sections of gorse and broom on the 4th, 8th, 10th, 11th, 12th, 13th and 18th holes and tree thinning work carried out on holes 4 and 15. After a wet year it is also essential we continue with our rough management programme, cutting, collecting and scarifying roughs to provide open wispy which define the holes in 2020. The combination of all these practises will restore the original characteristics of the course and allow the native species to re-establish itself on the natural links terrain hidden beneath.

The introduction of two members information nights in May and November proved to be a huge success as we aim to continually communicate with the membership regarding the work being carried out on the course and the rationale behind each task.

A huge congratulations go out to the team who have recently been shortlist as one of the final 5 clubs in the UK for the STRI Environmental Golf Course of the Year Award which recognises the golf clubs for their continued environmentally sustainable management practises. During 2019 Assistant Greenkeeper Graham Burnett was awarded his first BIGGA CPD Milestone for continued education and training and Course Manager Richard Johnstone was selected to be part of the tournament support team during The PGA Championship at Bethpage Black, New York.

The Committee would like to thank Richard and his team for all their hard work during 2019, the dexterity shown in what has been a difficult year is very much appreciated. We would also like to thank the volunteers who gave up their time to carry out various tasks on the course throughout the year and help during the maintenance weeks in April and September.

Income

	2019	2018
	£	£
General		
Subscriptions & affiliation fees	304,537	336,683
Competitions (net income)	17,421	19,021
Visitors green fees	94,419	112,817
Locker rents	5,477	7,216
	<u>421,854</u>	<u>475,737</u>
Clubhouse		
Bar gross profit	82,275	81,667 (note A)
Bar—2017	-	3,964
Catering gross profit	67,607	73,996 (note B)
Gaming machine surplus	1,231	904 (note C)
Pool tables	-	(548)
	<u>151,113</u>	<u>159,983</u>
Other		
Bank interest	185	—
Legacies, donations and coaching	965	2,412
Advertising and sponsorship	6,000	9,206
Sundry income	12,211	10,299 (note 1)
	<u>19,361</u>	<u>21,916</u>

(note A)	Bar		
	Sales	136,757	133,158
	Cost of Sales	<u>(54,482)</u>	<u>(51,491)</u>
		<u>82,275</u>	<u>81,667</u>
	Gross profit %	60.16%	61.33%
(note B)	Catering		
	Sales	149,375	146,926
	Cost of Sales	<u>(81,768)</u>	<u>(72,930)</u>
		<u>67,607</u>	<u>73,996</u>
	Gross profit %	45.26%	50.36%
(note C)	Gaming machines		
	Sales	1,231	904
	Leasing Costs	-	—
		<u>1,231</u>	<u>904</u>
	Gross profit %	100%	100%

<u>592,328</u>	<u>657,636</u>
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<u>Expenditure</u>	2019	2018
Course	£	£
Staff wages and national insurance	138,010	140,401
Machinery, repairs and expenses	24,484	18,446
Seeds, soils, fertilizers, etc.	34,516	29,201
Other upkeep costs	17,194	21,267 (note 2)
Depreciation	44,794	47,910
(Gain) on disposal of assets	-	—
	<hr/> 258,998	<hr/> 257,225
 Clubhouse		
Bar and catering wages	129,305	130,302
Rent, rates, water and insurance	18,080	19,874
Heating and lighting	30,885	31,681
Feed-in-tariff receipts	(5,754)	(7,405)
Cleaning and maintenance wages and materials	23,455	33,525 (note 3)
Repairs and renewals	15,893	14,518 (note 4)
Social functions	6,547	8,891
Clubhouse sundries	21,175	19,061 (note 5)
Depreciation	11,076	11,491
	<hr/> 250,662	<hr/> 261,938
 Administration		
Professional retainer and commission	43,631	37,548
Secretarial salaries and national insurance	50,499	67,949
Employers pension contributions	8,845	5,684
Postage and telephone	6,364	6,598
Printing and stationery	4,585	6,563
Advertising and promotions	11,430	15,773
Juniors	2,842	—
Interest on loans	1,524	—
Bank interest and charges	6,097	9,152
Accountancy	4,236	4,938
Professional fees	5,090	7,519
Equipment lease repayments	2,070	1,620
Hire purchase interest	1,453	1,781
Miscellaneous	12,535	13,113 (note 6)
Team expenses and entry fees	3,397	3,107
Affiliation fees	11,915	12,718
	<hr/> 176,513	<hr/> 194,062
 Balance: (Deficit) for year transferred to capital account	 (93,845)	 (55,589)
	<hr/> 592,328	<hr/> 657,636

Balance Sheet as at 30th September 2018

LIABILITIES AND CAPITAL	2019	2018
<u>Capital account</u>	£	£
As at 30th September 2018	504,558	565,944
(Deficit) / Surplus for year	(93,845)	(55,589)
Commission on VAT refund	-	(5,797)
Entrance fees	-	—
	410,713	504,558

Current liabilities

Sundry creditors	54,529	63,001
Members prize draw	8,370	8,098
Unexpired and prepaid subscriptions	19,417	21,261
VAT creditor	-	10,247
Bank loan	26,114	
Obligations under hire purchase	26,391	45,363
	134,821	147,970

545,534	652,528
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ASSETS	2019	2018
Fixed Assets	£	£
(1) Buildings (Long Lease)		
Tractor sheds and buildings	2,000	2,000
Greenkeeper's store	20,814	20,814
Expenditure on new clubhouse	915,731	915,731
Expenditure on coaching bay	40,487	40,487
	<u>979,032</u>	<u>979,032</u>
Less: Grants received	(686,648)	(686,648)
Less: Depreciation (50 years)	(107,551)	(101,564)
	<u>184,833</u>	<u>190,820</u>
(2) Course improvements		
As at 30th September 2018	91,934	106,922
Add: Additions during year	26,649	2,620
	<u>118,583</u>	<u>109,542</u>
Less: Depreciation (10% straight line)	(15,931)	(17,608)
	<u>102,652</u>	<u>91,934</u>
(3) Machinery, equipment and tools		
As at 30th September 2018	85,197	101,365
Add: Additions during year	5,080	13,989
Less: Disposals (NBV)	-	-
	<u>90,227</u>	<u>115,354</u>
Less: Depreciation (20% straight line)	(28,865)	(30,157)
	<u>61,412</u>	<u>85,197</u>
(4) Furnishings and fittings		
As at 30th September 2018	33,575	38,158
Add: Additions during year	2,284	1,065
	<u>35,859</u>	<u>39,223</u>
Less: Depreciation (10% RB / 5 years SL)	(5,095)	(5,648)
	<u>30,764</u>	<u>33,575</u>
(5) Other assets		
Club trophies	2,780	2,780
Club Trophies - Additions	-	-
Investment - Nairn County F.C. Ltd	100	100
	<u>2,880</u>	<u>2,880</u>
<u>Current Assets</u>		
Stock at cost	12,309	13,245
Cash in hand	5,436	4,397
Cash in bank - deposit accounts	38,654	99,703
Cash in bank - current accounts	44,310	73,799
Other debtors	62,284	56,978
	<u>162,993</u>	<u>248,121</u>
	<u>545,534</u>	<u>652,528</u>

The Nairn Dunbar Golf Club
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30th September 2019

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material to the financial statements in both the current year and preceding year:

Basis of Accounting - The financial statements have been prepared under the historical cost convention.

Depreciation - Depreciation is provided on all tangible fixed assets net of capital grant receipts, other than freehold land, at rates calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold buildings	Over the remaining lease term (commencing 1999)
Course improvements	5% - 10% Straight Line
Coaching bay	4% Straight Line
Machinery, equipment and tools	20% Reducing Balance and 5 Years Straight Line
Furnishings and fittings	10% Reducing Balance and 5 Years Straight Line

Stocks - Stocks are stated at the lower of cost and net realisable value with proper provision being made for obsolete and slow moving stock. Cost comprises the invoiced price of goods and materials purchased on a first in first out basis.

Entrance Fees - Entrance fees are credited directly to the capital account.

Club Trophies - The Club Committee have estimated the value of Club trophies to be in the region of £81,000 for Insurance purposes.

Investments - Investments are stated at cost less provision for permanent diminutions in value. Cost is purchase price including acquisition expenses but excluding any payment for accrued interest or fixed dividend entitlement.

Grants - Grants received of a capital nature are credited to the relevant cost of the assets to which they relate. From 2009 capital grants are credited to deferred income and amortised to the Income and Expenditure account in line with the depreciation policy in respect of the asset to which they relate.

Hire Purchase - Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated

Notes to accounts for the year to 30th September 2018

	2019	2018
	£	£
(note 1) Sundry Income		
Fundraising income	(90)	790
Social Revenue	3,888	3,162
Buggy Income (net)	1,574	
Subscription Provider commission	6,839	6,347
	12,211	10,299
(note 2) Other upkeep costs		
Machinery fuel	9,732	8,231
Hand tools, clothing, green equip etc	7,462	13,036
	17,194	21,267
(note 3) Cleaning/maintenance wages and materials		
Maintenance wages	8,222	8,235
Cleaners wages	7,544	18,290
Cleaning materials and laundry	7,689	7,000
	23,455	33,525
(note 4) Repairs and renewals		
General maintenance	8,627	9,116
Contract maintenance	7,266	5,402
	15,893	14,518
(note 5) Clubhouse sundries		
Clubhouse - trolley rentals, uniforms, hygiene and waste disposal	13,254	10,029
Catering - crockery and cutlery replacements and consumables	1,668	1,355
Bar - bottle gases, glasses - replacements and disposal	3,508	3,816
TV and music licences	447	1,035
Sky/BT TV	2,298	2,826
	21,175	19,061

Notes to accounts for the year to 30th September 2019 (continued)

(note 6) Miscellaneous

Training	943	1,105
Admin & software licences	9,993	9,224
Recruitments	-	486
Online booking	1,069	293
Health & Safety expenditure	530	2,005
	<u>12,535</u>	<u>13,113</u>

Source and Application of Funds

For the year to 30th September 2019

	£	£
Deficit for the year		(93,845)
Commission on VAT refund		-
Adjustment for non cash items - annual depreciation		<u>55,870</u>
Generated from trading activities		(37,975)
Application of funds		
Purchase of fixed assets	(34,005)	
Decrease in HP liabilities	(18,972)	
Decrease in creditors	(20,291)	
Increase in loan liabilities	26,114	
Decrease in stock	936	
Increase in debtors	<u>(5,306)</u>	
)
		<u>(51,524)</u>
Net funds outflow		<u>(89,499)</u>
Represented by		
Bank balance at 30th September 2018		177,898
Bank balance at 30th September 2019		<u>88,400</u>
Net decrease in bank and cash		<u>(89,499)</u>

***Accountants' Report to the Members on the Unaudited
Accounts of Nairn Dunbar Golf Club***

For the year ended 30th September 2019

In order to assist you to fulfil your duties as the Club Committee, we have prepared for your approval the accounts of Nairn Dunbar Golf Club for the year ended 30 September 2019 from the club's accounting records and from the information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.org.uk> / accounts preparation guidance.

This report is made solely to the club's members as a body, in accordance with the terms of our engagement letter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the club and the club's members as a body, for our work or for this report. Our work has been undertaken in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <http://www.icas.org.uk> / accounts preparation guidance.

It is your duty to ensure that Nairn Dunbar Golf Club has kept adequate accounting records and to prepare accounts showing the assets, liabilities, financial position and surplus or deficit of Nairn Dunbar Golf Club. The financial statements are not intended to achieve full compliance with the provision of UK Generally Accepted Accounting Principles. You consider that the club is exempt from the statutory audit requirement for the year.

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

Johnston Carmichael
Chartered Accountants

Clava House
Cradlehall Business Park
Inverness IV2 5GH

Nairn Dunbar Golf Club

MINUTES OF ANNUAL GENERAL MEETING OF THE CLUB HELD IN THE CLUBHOUSE Tuesday 11th December 2018

Welcome & Apologies

Sandy Park (Captain) welcomed all members to the AGM which had 150 members in attendance (approx.).

Apologies were received from – Nancy McKenchnie, Suzanne Rae, Charlie Black, Colin Matheson, William Maitland, Patrick Allan, David Murray, Sarah Murray, Kenny Donnelly, John Mott, Kenny Campbell, Sonia Cole, Duncan MacDonald, William Barron, Hugh Clunas, David Copperthwaite, Alex Fraser, Dave Tucker, Alistair Cullen

Sandy also highlighted those members who had sadly passed away – James Baird, Brian Downie

Minutes of the 2017 AGM were approved by Hamish Bunker and seconded by John Mackintosh.

Minutes of SGM (Feb 2018) were approved by Don Farmer and seconded by Gerry McAloon.

Sandy thanked the President and Vice-President for their attendance and for all their hard work to the club throughout the years.

Sandy then handed over to Jamie Waugh of Johnston Carmichael who commented on the Year End Accounts as follows----

As noted in the Finance report from David Bunker on page 6, the Club has incurred a deficit of £55,589 compared to a deficit of £30,175 for 2017; as shown at the foot of page 11 of the Annual Report.

After taking into account the commission paid of £5,797 to the former professional on the VAT refund received in 2016, the total deficit was £61,386 compared with a total deficit of £26,102 for 2017.

The main changes in income and expenditure, as detailed on pages 10 and 11 comprise:

£15,205 more in visitor fees.

£9,636 less in net competition income.

£2,901 less contribution from the Clubhouse activities; however, this is against a backdrop of difficult economic conditions.

A reduction of £30,456 in Other income (you will recall that 2017 included £28,000 donated by Springfield Properties).

On the expenditure side, the main variations are:

A reduction of £10,000 (3.7%) in Clubhouse costs, mainly in relation to wages.

A rise of £8,656 (4.7%) in administration costs. The most significant of which relates to payments to the former professional; a year on year increase of £7,145. Increases in professional fees and affiliation fees were mainly offset by a net reduction in secretarial and administration wages.

Course expenditure in 2018 was very similar to 2017.

Turning to the Balance Sheet set out on pages 12 and 13, the main changes comprise:

Fixed asset additions shown on page 13 relate principally to greens machinery and kitchen equipment

totalling 13,989.

A net reduction in current liabilities – a fall of around £10,000 in the Hire Purchase Creditor and a reduction of £7,800 in prepaid subscriptions.

A net fall of £43,000 in current assets; the main components of which are a fall of £25,000 in cash, and a reduction £18,000 in general debtors (timing differences).

Overall the club's net asset position fell from £565,944 to £504,558 (page 12); a reduction of 10.8%.

Finally, turning to the movements in cash, these are set out on page 15, in the Source and Application of Funds statement which shows how the cash from operating the club has been used.

Towards the top of the statement you will see that the club absorbed cash of £1,985 from its activities.

Cash has also been applied to:

Buy fixed assets (£17,680).

Pay down HP (£9,747).

Small movement in stock.

Overall movement in creditors and debtors of £4,687.

After taking into account these movements, the overall cash position was a net outflow of £25,016.

This resulted in a reduction of overall cash at bank to £177,898, from last year's £202,914.

Accounts were approved by Ron Cameron and seconded by Ninian Coggs.

Re-election of Johnston Carmichael as Club Auditors and Accountants was approved by David Bunker and seconded by Ninian Coggs.

David Bunker added to the finance section with regards to 2019 budgeting:

On the income side:

The forecast for subscriptions assumes that net 35 full members leave.

The figure for green fees at £106,000 looks aggressive but our growing reputation and the work being done to attract tour operator business leads us to believe that it is doable. We are not making any changes to our top rate green fee.

The forecast for bar and catering gross profit assumes similar turnover figures to 2018 – this is where we are looking for support from members and guests and more of that later. With Dave Irvine’s continued guidance, we think that we can improve our catering margin to nearer 60%, from 55% assumed in our forecasts. I can’t tell you how much good work Dave is doing here.

You will note a new entry this year from buggies. The Club has leased 5 buggies, and this is the projected rental income from this source.

On the expenditure side:

We assuming a salary increase for the green staff and are assuming that the other overheads associated with the course will remain flat. We would really like to employ a new apprentice to assist with the course work but have not made any allowance for this at the moment – if we see an opportunity as the financial year pans out we may well do something here – the course is our prime asset and selling point.

The key reduction in our forecast for clubhouse expenses come in the shape of clubhouse wages and here it is important to mention that we are talking about savings to be made by working more efficiently with smarter use of shift patterns and the like – again Dave is leading the way here.

Administration expenses are budgeted to come down mainly due Robbie’s appointment and a restructuring in the office. Additionally, we think that there might be some other savings to be had from other overheads in the office, but we have not built these into our forecasts.

At our members evening I said that I thought that the loss for 2019 would be in the region of £25,000 – as you can see we are now forecasting a loss of around £28,000 - but please bear in mind that it is a forecast and lots can happen to impact it.

Sandy Park thanked David Bunker, Jim Gibson, Alan Finlay and Ian Fraser for all their hard work on the accounts.

Sandy then spoke to his Captains Review by adding that the new committee has some older faces returning to help. Sandy also advised that members meetings will continue going forward.

Sandy also added that we have a great junior section at the club and passed his thanks onto Gary Lister and Chris Reid.

Sandy also mentioned that we have had great praise on our course and not to take things for granted, especially with the challenging times ahead for the club and for a lot of Scottish Golf Clubs. He added that we all need to support club a bit more by having lunch, coffee, social gatherings.

Sandy gave his thanks to all the volunteers who have helped the club throughout the years

Lastly Sandy gave his thanks to everyone for their support.

Election of Office Bearers:

President: Sandy MacRae, Proposer: Sandy Park, Seconder: David Bunker

Vice President: David Mein, Proposer: Sandy Park, Seconder: David Bunker

Vice President: Alistair Clunas, Proposer: Sandy Park, Seconder: David Bunker

Vice President: Margaret McFeat, Proposer: Sandy Park, Seconder: David Bunker

Captain: Sandy Park, Proposer: David Bunker, Seconder: Gerry McAloon

David Bunker spoke to the room and stated Sandy Park has done a great job so far and he is delighted to propose him as Captain. Sandy Park is happy to carry on his role.

Vice-Captain: David Bunker, Proposer: Sandy Park, Seconder: Ian Fraser

Sandy Park spoke to the room and stated that he is delighted to propose David Bunker to be his Vice-Captain.

Committee of Management

It was noted there were 10 applicants for 9 spaces on the committee, Ian Fraser has withdrawn his name from the list due to further work commitments but stated he will also help when needed.

Sandy Park asked the committee members to stand for the room, and gave a brief note on each person,

George Anderson – Past Captain, many years on committee

Ron Cameron – Lifelong member, finance wizard

Kenny Donnelly – Many years on committee, apologies given by Kenny

Tom Donnelly – Retail Management experience, convenor of 55+ group

Stuart Henderson – Past Captain, Tour Operator Marketing experience

Gerry McAloon – Many years on committee

Angela McOwan – Involved in business & events throughout Nairn

Gordon Ralph – Lifelong member, excellent volunteer

Chris Reid – Tremendous work for the juniors, junior room and pro shop

Committee Motions

Motion seeking approval for Bar and Catering Credit

‘The Committee is authorised to introduce a bar and catering credit of £25 to be applied to all categories of membership with the exception of Honorary Members, Country Members, Junior Members (16 to under 18) and Juvenile Members (under 16)

David Bunker spoke to the motion of Bar and Catering Credit and advised, the club has three main sources of income – subscriptions, green fees and food and beverage – income from the clubhouse. As a committee we are keen to do all that we can to encourage more use of the clubhouse be that through the introduction of new playing or house members or from our existing membership base.

With this in mind and as flagged up at our recent members meeting, we are now seeking your approval to the introduction of a bar and catering credit of £25. We are hoping that this will encourage members who have perhaps been a bit reticent about using the club to come down for lunch or the like.

The bar and catering credit of £25 will be payable at the beginning of the year with the subscriptions by all categories of membership with the exception of Honorary members, Country members, Junior members (16 to under 18) and Juvenile members (under 16).

For members who pay at the beginning of January it will be added to your invoice, for members who pay monthly by direct debit it will be added to your January payment and for those members who pay in advance there will be an adjustment made in January.

This sum will be credited to each members loyalty card to be spent over the year on bar or catering purchases.

Any unspent sum at the end of the year will be applied to a reserve for the benefit of the club.

It will be possible to transfer any unspent credit to a partner or spouse at any time during the year.

It should also encourage the use of members loyalty cards as the norm which could lead to the introduction of a cashless facility in the clubhouse thereby cutting down on bank charges.

I commend this proposal to you.

The above motion was approved by majority vote.

Motion seeking approval to borrow £30,000

‘The Committee is authorised to borrow the sum of £30,000 over a 5-year period towards the upgrading of the control panel and decoders in the irrigation system.’

David Bunker spoke to the motion of borrowing the sum of £30,000 and advised,

The control panel was installed in the mid 80's with partial upgrades completed in 1995 and 2004 and the system is now no longer fit for purpose. Indeed, parts of the current control panel are obsolete, making it impossible to repair.

Around 70 decoders from 220 around the course no longer work meaning there are large areas without any irrigation at all. Many man hours were wasted in 2018 having to hand water large areas that were not getting any water from our automatic watering system resulting in the course conditioning being compromised. A working irrigation system is an essential moisture management tool to help avoid disorders such as dry patch and fairy rings.

Replacing the control system will result in a much more efficient and eco-friendly use of the watering system and will be capable of being deployed remotely out on the course. The new control system will contain a smart controller allowing more rotors to work when pressure allows reducing the time taken to irrigate the course and overall water use. And, of course, the new system will reduce the amount of service calls and result in reduced running costs.

We have a quotation from Peter Easton for £26,000 plus VAT. Peter Easton is well known to us and is regarded an expert in his field – he is currently engaged by Nairn Golf Club to assist with their major course redevelopment.

The Club does have some cash reserves which could perhaps be used to meet this expense, but the finance group are strongly of the view that these should be kept as a contingency to meet any unforeseen events.

I commend this proposal to you.

The above motion was approved by majority vote.

Subscriptions

David Bunker gave the below comments on the annual subscriptions:

We are always mindful to try to keep any increase in the annual subscriptions to as low a level as possible but as can be clearly seen some increase is necessary.

An across the board increase of around 5.8% will be applied to all playing members. As in recent years members who benefit from the Senior discount of £210 will pay the same monetary increase of £35 resulting in an increase of around 8.8%.

You will recognise a recurring theme of the evening when you see that we have halved the individual house membership fee from £50 to £25 and the fee for partners and spouses has been reduced to only £5. We do hope that this will result in a surge in house membership numbers with a knock-on positive impact on sales in the clubhouse.

I attended a Scottish Golf conference in Edinburgh the other weekend and we were informed that golf clubs in Scotland have lost 5,000 members each year over the past 10 years which translates into £25 million in lost membership fees. The big challenge is how do clubs, including our own, deal with a growing number of nomadic golfers – there is no apparent obvious solution to this, but we are on the case. We are no exception to this trend, and I can't emphasise enough the need for all of us to encourage friends and family to renew their membership and to seek out new playing and house members for this great club.

A question from the floor was asked, why has the house membership been dropped?

Fiona Barron advised that this can be checked year on year to see if this drop has worked.

AOCB (Any other competent business)

Q. Deyne Miller asked why so many trees along 9th, 10th and 11th had been cut down over the past few days?

A. This was from previous years approved course programme, but in the short-term work has stopped

Sandy Park advised that going forward there will be continued greens meetings with the members to get them updated and information shared.

Q. Gillian Cruden asked on the pricing for over 18s is high and they will pick Nairn over Nairn Dunbar.

A. David Bunker replied that this is a continuous struggle and it is hard to retain younger golfers.

Q. Peter Murphy said that the seniors discount rate is now out of reach due to the joining year of 1990, can this be looked at?

A. Sandy Park advised that both of the younger golfers and senior rate will be looked at.

Martyn Smith commented and stated that being a member for 20+ years he receives no discount so why should senior age groups get a discount.

Q. Fiona Barron asked why the competition fees are down year on year?

A. David Bunker replied that this is down due to the large income (£10k) we received from the R&A Boys Championship.

Keith Black stated that in 2016-2017 subs increased £10 then 2017-2018 increased by £22 then 2018-2019 increased by £35, can't keep putting the subs up. Expenditure needs to be looked at more. People will continue to leave regardless of course conditions if subs continue to increase.

Ian Duncan asked for membership figures by category as well as pricing figures.

Michael Howitt commented on competition income to have more men & women competitions on regular Sundays - £1 entry – to help increase revenue and activity within the clubhouse.

No other business discussed.

Sandy Park thanked everyone for their attendance and support, meeting closed 8.25pm

Would all members please make sure we have up to date contact details.
Please complete the below if you have any changes and hand into the office
Thank you

Full Name: _____

Address: _____

Post Code: _____

Telephone number: _____

Mobile number: _____

Email: _____