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THE SOUTH SHIELDS GOLF CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2001**

TENON
Accountants and Business Advisers
13 Beach Road
South Shields
NE33 2QA



THE SOUTH SHIELDS GOLF CLUB LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report and audited financial statements for the year ended 31 December 2001:-

1. MEMBERSHIP	31 December 2001	31 December 2000
Honorary	4	5
Life	51	56
Gentlemen	428	427
Senior Gentlemen	43	44
Ladies	58	58
Senior Ladies	20	20
Country	3	3
Juniors	30	30
Catholic Clergy	7	6
Total Playing Members	644	649
Social	72	72
	716	721
	==	==

2. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Finance

The accounts show a surplus for the year of £3449. The income for the year increased by £5043 due to the increase in members subscriptions which helped offset the reduction in bank deposit interest received.

Expenditure increased by £6133, largely as a result of an increase in course wages following the recruitment of additional staff towards the end of the previous year.

The bar trading account showed an improved result with sales up £1297 despite the bar being closed for refurbishment for the first three weeks of January. The gross profit on bar sales also increased and is expected to improve further in the coming year as the brewery supplier has been changed to Scottish & Newcastle. The repayment of the brewery loan has enabled the Club to negotiate improved terms.

The repair costs were again high as the refurbishment of the Club House was completed. In addition the Club spent a further £35,070 on fixed asset additions following on from the £55131 spent the previous year.

The Committee wish to express their thanks to:

- Eric Bywater and the Green and Land and Property Committee
- Bill Hunt and the House Committee
- Brian Chambers and the Entertainment Committee
- Bill Roberts the Handicap and Competitions Secretary
- Bill Mair the Minutes Secretary
- Gary Parsons for looking after the Junior Section
- Bill Mair for his continued guidance on our computer system
- Jack Carris, Jim Behrsing, Derek Geddes of the Seniors Section.

3. TRANSFER TO RESERVES

It is proposed that the retained surplus of £3449 is transferred to the accumulated fund.

4. FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

5. DIRECTORS AND THEIR INTERESTS

The directors met on 11 occasions.

The directors who served during the year and their attendances were:

A. Bage	8	B. Chambers	8	W. Mair	11	W. Roberts	8
P Balmer	7	J.H. Elsy	11	D. McCain	8	P.W. Taylor	11
L N Brown	7	W. Hunt	11	I.Mankin	10		
E Bywater	6	P. Lancaster	10	A.K. Murray	9		

The directors retiring by rotation are W Mair, D McCain and A K Murray and are eligible for re-election.

REPORT OF THE DIRECTORS

6. 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 the affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 prevention and detection of fraud and other irregularities.

7. AUDITORS

The auditors, Blueprint Audit Limited, will be proposed for re-appointment, in accordance with Section 385 of the Companies Act 1985.

8. LADIES The ladies have elected the following officials and committee:

Officials		Committee	
Captain	Mrs J L Paul	Mrs J Sanderson	Mrs P Porteous
Vice-Captain	Mrs V Lavelle	Mrs J A Atkinson	Mrs E Cahill
Honorary Secretary	Miss M Bates	Mrs A McCain	Mrs C Mair
Honorary Treasurer	Mrs S Riddell		
Ex Officio			
Handicap Secretary	Mrs D Smith		
Past Captain	Mrs C Mair		

9. COMPETITIONS The following competition winners are congratulated:

MEN

Club Championship	M. Gudgeon	W.J. Brock Trophies	Mr. & Mrs. M Collier
James Readhead (Gross)	C. Mathews	Gazette Cup	P. Balmer
Alex Purvis (Calcutta)	J.A. Winfield	Rudd Cup	P. Corney
Brock Rose Bowl	S. Hedley	Military Cup	M. Graham
J.H. Evers Trophy	A. Weir	Hopps Trophy	D. Slater
W.C. Mason Trophy	L. Duff	Moore Hayton Cup	J.D. Philips
Robson Trophies	T. Reay & T. Gray	Coronation Foursomes	Mr. & Mrs. T Cox
Florence Parker Trophy	S. Grainger & K. Grabham	A. & L. Dodd Trophy	W. Yorke
G.H. Turner Trophy (Seniors)	W. Yorke	Brigham Cup	M. Pippett & J D Philips
Alexander Cup	P. Corney	Hanson Trophy	W. Roberts & Mrs D. Smith
		Calcutta Doubles	B. Shotton & W Yorke

LADIES

Club Champion	Mrs. J. Dawson	Chipchase Vase	Mrs. D. Smith
Gazette Vase	Mrs. S. Hayton	Fenwick Salver	Mrs. P. Porteous
Clara Anderson Trophy	Mrs. J. Collier	Mabane Bowl	Mrs S. Hayton
Hedworth Williamson	Mrs. C. Mair	Nancy Walker Trophy	Mrs. D. Smith
Harton Moor Trophies	Mrs D. Smith & Mrs. J. Collier	Eve Levy Rose Bowl	Mrs. S. Hayton
Mohair Bangle	Mrs. S. Hayton	Lady Readhead Trophy	Mrs. S. Hayton
Centenary Plate	Mrs. D. Elsy	Eleanor New Claret Jug	Mrs. J. Collier
Candelabra	Mrs. M. Graham	Past Captains Salver	Mrs. J. Collier
Joyce Evers Brooch	Mrs. G. Woodcock	President's Plate	Mrs. M. Blakey

6 Feb. 2002.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTH SHIELDS GOLF CLUB LTD

We have audited the financial statements of The South Shields Golf Club Limited for the year ended 31 December 2001 which comprise the Profit and Loss 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.

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 supplied 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 31 December 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date: 6 February 2002

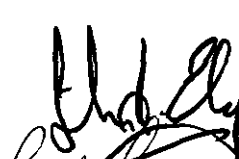

13 Beach Road
South Shields
NE33 2QA



HON SEC.

Blueprint Audit limited
Blueprint Audit Limited
Registered Auditor

THE SOUTH SHIELDS GOLF CLUB LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2001

Notes		2001	2000
		£	£
	FIXED ASSETS		
7	Tangible assets	222899	218774
	CURRENT ASSETS		
8	Stocks	3232	2560
9	Debtors	4321	15208
	Cash in hand	386	450
	Cash at bank	<u>67659</u>	<u>107158</u>
		75598	125376
	CREDITORS: Amounts falling due within one year:		
	Trade creditors	1954	2112
10	Loan (secured)	-	4867
	Corporation tax	675	2434
	Accruals	<u>14035</u> ✓	<u>39801</u>
		16664	49214
	NET CURRENT ASSETS	<u>58934</u>	<u>76162</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	281833	294936
10	CREDITORS: Amounts falling due after more than one year:		
	Loan (secured)	-	<u>16552</u>
		<u>£281833</u>	<u>£278384</u>
	MEMBERS FUNDS		
13	Accumulated fund	<u>£281833</u>	<u>£278384</u>
	J H Elsy P Lancaster) Directors  	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the Board on 6 February 2002

The notes on pages 6 to 9 form part of these financial statements.

THE SOUTH SHIELDS GOLF CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

Notes		2001 £	2000 £
2	Turnover	317263	309173
	Cost of sales	<u>278745</u>	<u>261227</u>
	Gross profit	38518	47946
3	Administrative expenses	<u>41850</u>	<u>53173</u>
		(3332)	(5227)
4	Other operating income	<u>6748</u>	<u>12200</u>
	Surplus from operations before taxation	3416	6973
6	Taxation	<u>(33)</u>	<u>2434</u>
	Net surplus for year	3449	4539
	Revenue surplus brought forward	<u>278384</u>	<u>273845</u>
	Revenue surplus carried forward	<u>£281833</u>	<u>£278384</u>

The notes on pages 6 to 9 form part of these financial statements.

THE SOUTH SHIELDS GOLF CLUB LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the transitional arrangements which have been followed this year on adopting Financial Reporting Standard for Smaller Entities (Effective March 2000).

Turnover

Turnover is derived from the provision of goods and services after deduction of Value Added Tax.

Depreciation

Depreciation is provided to write off the cost of all fixed assets, except freehold land, over their expected useful lives. It is calculated on the original cost of the assets at the following rates:

Freehold buildings	2% per annum
Course machinery and irrigation system	10% - 25% per annum
Office Equipment and Clubhouse Furniture	20% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first-in, first-out basis. Net realisable value is based on the estimated selling price less further costs to completion and disposal.

Operating Leases

All leases are operating leases. Rentals under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

2. TURNOVER AND RESULTS

Turnover and results are wholly attributable to one activity, that of conducting a golf club.

3. OPERATING SURPLUS

2001	2000
£	£

The operating surplus is stated after charging:

Depreciation	30945	31080
Auditors remuneration	1800	1710

4. OTHER OPERATING INCOME

2001	2000
£	£

Bank deposit interest	<u>6748</u>	<u>12200</u>
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THE SOUTH SHIELDS GOLF CLUB LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)**

5. EMPLOYEES

Staff costs

	2001 £	2000 £
Wages and salaries	86522	74128
Social security costs	<u>6692</u>	<u>5698</u>
	<u>£93214</u>	<u>£79826</u>

The average weekly number of employees during the year was made up as follows:

	2001 No.	2000 No.
Course staff	5	5
Administration staff	<u>1</u>	<u>1</u>
	6	6
	=	=

Directors emoluments, included above, consist of:

Remuneration for management services	£ <u>-</u>	£ <u>3211</u>
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6. TAXATION

Based on the investment income for the year:

Corporation tax at 10%	675	2434
Corporation tax refund re previous year	<u>(708)</u>	<u>-</u>
	<u>£(33)</u>	<u>£2434</u>

7. TANGIBLE ASSETS

	Office Equipment	Clubhouse Furniture	Freehold Land and Buildings	Course Machinery and Irrigation System	Total
Cost		£	£	£	£
As at 1 January 2001	-	19332	189646	246186	455164
Additions	<u>1403</u>	<u>9820</u>	<u>5247</u>	<u>18600</u>	<u>35070</u>
As at 31 December 2001	<u>1403</u>	<u>29152</u>	<u>194893</u>	<u>264786</u>	<u>490234</u>
Depreciation					
As at 1 January 2001	-	-	35022	201368	236390
Provided for year	<u>281</u>	<u>5567</u>	<u>3646</u>	<u>21451</u>	<u>30945</u>
As at 31 December 2001	£ 281	5567	38668	222819	267335
Net Book Value					
As at 31 December 2000	£ <u>-</u>	£ <u>19332</u>	£ <u>154624</u>	£ <u>44818</u>	£ <u>218774</u>
As at 31 December 2001	£ <u>1122</u>	£ <u>23585</u>	£ <u>156225</u>	£ <u>41967</u>	£ <u>222899</u>

THE SOUTH SHIELDS GOLF CLUB LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)**

8. STOCKS	2001	2000
	£	£
The only category of stock is:		
Goods for resale	<u>£3232</u>	<u>£2560</u>
9. DEBTORS	2001	2000
	£	£
Prepayments	2137	-
Other debtor	<u>2184</u>	<u>15208</u>
	<u>£4321</u>	<u>£15208</u>
10. BORROWINGS	2001	2000
	£	£
The company's borrowings are repayable as follows:		
In one year, or less or on demand	-	4867
Between one and two years	-	4867
Between two and five years	<u>-</u>	<u>11685</u>
	<u>£ -</u>	<u>£21419</u>
Borrowings: Amounts due after five years:		
Repayable by instalments:		
Bass loan	<u>£ -</u>	<u>£21419</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

11. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the lease.

Expiry date:	Land and Buildings	
	2001	2000
	£	£
After five years	<u>£11000</u>	<u>£11000</u>

12. LIMITED BY GUARANTEE

The company is limited by guarantee in that every member undertakes to contribute during the time that he or she is a member, or within one year afterwards such amounts that may be required in the event of the company being wound up, for the payment of the debts, liabilities and the costs of winding-up not exceeding for ordinary and life members £4, for lady members £1 and for honorary, juvenile and temporary members 5p.

13. RECONCILIATION OF MOVEMENT IN MEMBERS FUNDS

	2001	2000
	£	£
Surplus for the financial year	3449	4539
Opening members funds	<u>278384</u>	<u>273845</u>
Net assets at 31 December 2001	<u>£281833</u>	<u>£278384</u>

THE SOUTH SHIELDS GOLF CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

EXPENDITURE	2001	2000	INCOME	2001	2000
COURSE					
Wages	77317	66420	Sales - Bar	£ <u>45651</u>	£ <u>44354</u>
Rent and fees	11000	11000	Gross Profit - Bar	17862	16651
Rates	5019	4347	Less: Retainer	(22000)	(22500)
Machinery maintenance	17537	17313	Expenses	(<u>4834</u>)	(<u>6116</u>)
Service building and fencing	4911	2573	NET LOSS	(8972)	(11965)
Sand and fertiliser	12029	8055			
Depreciation	24111	30112			
Professional	12300	12000			
Team expenses	<u>1008</u>	<u>1902</u>			
	165232	153722			
	<u> </u>	<u> </u>			
CLUB HOUSE					
Legal and professional fees	4878	-			
General expenses	315	1580			
Rates	7019	6075			
Repairs	17621	24508			
Cleaning	12315	10641			
Heat, light and water	10190	7414			
Depreciation	<u>6553</u>	<u>968</u>			
	58891	51186			
	<u> </u>	<u> </u>			
ADMINISTRATION					
Architects fees	529	-			
Security services	480	934			
V.A.T. irrecoverable	3846	18617			
Insurance	6015	5529			
Postage and stationery	1028	1519			
Management remuneration	15897	13406			
Telephone	1218	779			
General expenses	3856	4936			
Association subscriptions	5567	4569			
Corporation tax	675	2434			
Bank charges	1333	1174			
Audit fee	1800	1710			
Depreciation	<u>281</u>	<u>-</u>			
	42525	55607			
	<u> </u>	<u> </u>			
TOTAL EXPENDITURE	266648	260515	OTHER INCOME		
Surplus carried to accumulation fund	<u>3449</u>	<u>4539</u>	Members subscriptions	233047	222672
	£270097	£265054	Entrance fees	13418	13625
	<u> </u>	<u> </u>	Temporary members	24751	27250
			Fruit machines	397	1159
			Pool table	-	113
			Corporation tax refund	708	-
			Bank deposit interest	6748	12177
			Interest on corporation tax paid	<u>-</u>	<u>23</u>
				£270097	£265054
				<u> </u>	<u> </u>