

**CONSILIUM**

CHARTERED ACCOUNTANTS

# Kilsyth Lennox

Report of the Independent Examiner  
Year ended 30 September 2023

7 December 2023



# Independent Examination

We continue to be engaged to undertake an Independent Examination of the Club's financial statements. This has been the scope of work since 2015.

An Independent examination includes:

- a review of the accounting records and a comparison of the Financial Statements presented with those records;
- consideration of any unusual items or disclosures in the Financial Statements; and
- seeking appropriate explanations from the Club's general committee concerning any such matters.

Our enquiries have been completed and our report does not require modification. We report that:

*“no matter has come to our attention which gives us reasonable cause to believe that, in any material respect, the requirement to keep accounting records and to prepare accounts which accord with the accounting records have not been met; and to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.”*

Our work did not identify any material modification to the financial information reported in the accounts.



# Matters to bring to the attention of the members

## Trading Performance

Membership numbers have decreased during the year from 467 to 439. Key categories where membership has decreased include Ordinary Members which have decreased from 226 to 209 and staff/overseas/PAP/Social which have decreased from 25 to 14. That aside, due to an increase in the subscriptions charged, total membership income rose from £190,419 to £196,552.

For the year ended 30 September 2023 the club reported a deficit of £5,754 before depreciation and tax compared to the prior year during which a deficit of £19,833 was reported. Whilst this shows a decrease in the deficit reported, it continues to show a deterioration in the financial position of the club.

Key year on year movements are noted as:

*Revenue overall has increased by £1,097 to £252,444*

- Bar income decreased from £13,927 to £9,175.
- Membership income, as noted above, has increased from £190,419 to £196,552 as a result of subscription increases.
- Green fees have fallen by a further £3,095.
- Competition income has risen to £14,474 from £12,100.

*Costs excluding depreciation were £258,198 down from £277,180 representing a decrease of £12,982*

- *Decrease in hire of equipment to £12,302 representing a decrease of £4,345*
- *Decrease in professional fees to £6,068 representing a decrease of £5,825. We have held our fees at the same level as last year.*
- *Decrease in course maintenance, repairs in machinery and renewals to £25,799 representing a decrease of £15,296*
- *Increases were noted in areas such as utilities, and rates which is consistent with pressures facing businesses at this time.*

*The net Deficit, which includes depreciation was £21,061, compared to the prior year deficit of £35,895. Excluding the depreciation, the Deficit is reduced from £19,833 to £5,754 as a result of the cost cutting noted above. The deficit before depreciation is more reflective of the “cash loss” of the club. At 30 September 2023, the club was in its overdraft of £34,860 compared to £10,446.*



# Matters to bring to the attention of the members

## Cash management

A primary focus of the Committee is to try and ensure that the Club operates within its financial means. The current year has continued to be challenging for many golf clubs as finances have been impacted by:

- The impact of the cost of living on members disposable income;
- The impact of inflation on the cost base of running the club;
- The impact of a disproportionate increase in fuel and heating costs;

Whilst there have been other variances in other revenue and cost categories, these three factors are the principal challenges facing all golf courses at the moment.

The club has a £50k overdraft facility and, at times during the year the club was very close to breaching this level.

The club still, on the face of it, has a strong balance sheet with £715,807 of net assets as at the end of September 2022. However this value is tied up in the course and clubhouse representing £814,980 of this. If we strip out the clubhouse and course, the club has net liabilities of £99,173.

The club has £64,541 (PY: £44,333) of net current liabilities and additional longer term debt.

This position is not sustainable in the medium/long term and it is important that action is taken to rebalance the books. For a club to be sustainable income must be approximately equal to outgoings and, to address the increase in the cost base, income levels have to increase through:

- Additional members and increase subscriptions;
- Visitor/society income; and
- Increased utilisation of clubhouse facilities.

