

Balcarrick Golf Club
Treasurer's Report 2016

Unaudited Management Accounts for the year ending 31 August 2016 have been posted on the Club website together with the comparative Audited Accounts for year ending August 2015 and the Budget for 2017.

While the economic climate continues to make trading difficult for all golf clubs, our Club has made significant progress over the last year and the current financial position is stable.

Loan from Sponsor. Forty two members contributed varying amounts to the Club to discharge this Debt. An amount of €90,000 was raised and a cheque for this amount was paid over in April. The sponsor left the remaining balance, €10,000, as its contribution. In the Balance Sheet a total of €100,000 has been moved from Current Liabilities to Long Term Liabilities. The committee is very grateful to all those members who made a contribution.

The Club signed a new Catering Agreement with Caddy Catering Limited to provide Restaurant and Bar services to the Club. This Company is owned by Jacinta Gorman and the Committee is very happy with the service provided. The Agreement runs from 1 June 2016, with an option, on either side to extend it for a further 2 years from June 2018.

While we increased our membership numbers by 72 under the 16 month Deal from September 2015, we lost a further 43 members, mainly in the 5 and 7 day categories. In addition a further 17 members were granted Leave of Absence for various periods of time. Despite the €98 increase in the Seniors rate, the overall effect of all these changes meant that Subscription Income remained largely unchanged when compared with 2015. At this time 13 new members have joined the Club under the current September 2016 Deal.

The main changes between this year and 2015 are as follows:

Total Income: Up €17,467, the main headings being:

Catering: Down €3,071. The club had to part company with Gourmet Catering in January and certain costs had to be paid by the Club to protect its reputation. The overall cost to the Club was about €5,000.

Subscriptions: Down €3,859.

Competition/ Sponsorship: Up €22,610. Increase in competition fees, for both members and visitors. In addition, the Sunday Open, which was started in April, has been very successful with visitor competition fees of €5,800 being received to the end of August and a further amount of €2,960 received for September and October. However poor weather, which reduced entrants and which closed the course on a number of days, including some days in Summer, meant that fee income was down on budget by €17,000.

Green fees, Societies and Funding: No change from last year and in line with Budget.

Total Expenditure: Down €48,730 the main items being:

Catering Cost: Up €4,863. Mainly due to the refurbishment of the kitchen required by the Health and Hygiene Officer, but achieved at a lower cost than budgeted.

Clubhouse Costs: Down €14,910. Savings made under most headings with heat and electricity, at €6,838, being the main items. However Insurance costs are rising steeply and the renewal premium went up by 23%.

Course Costs: Down €32,756. Fertiliser and Sprays down €16,360. Machinery Repairs and Spare Parts down €10,659. Savings under most other headings. In addition we had to replace 1 Fairway mower as it had become uneconomic to repair it. While our depreciation cost has risen we have seen a

reduction in repair costs and down time and these reduced costs should continue for the next year or so.

Salaries, Pro Shop, Professional Fees. Costs down by €11,913. Small savings under most items under these 3 headings.

Depreciation and Bond Interest. Depreciation up €7,274 due to purchase of Fairway mower and some smaller items needed in the kitchen area. Bond Interest provision in these accounts is €2,781 and will amount to €5,000 in a full year.

The Accounts show that the Club incurred an Operating Deficit of €4,620. However the club made one-off profit of €20,684 from the sale of the old fairway mower which means that the result for the year is a Surplus of €16,064, compared with a Deficit of €73,044 in 2015.

Cash Flow requires careful management and will continue to so until member numbers improve, and the Club's operations begin to generate cash. Again we requested members to pay their subscription in advance. The committee is very grateful to those members who have done so as this is critical for the operation of the Club.

Outlook for the year ending 31 August 2017.

The Committee have agreed that the control of the Finances of the Club would be better served by having a Finance Sub-committee. This committee will monitor Financial performance against Budget, produce detailed Monthly Management Accounts together with relevant variance reports and develop control systems as appropriate. The members of this committee are: Bridie Johnston, George Harbourne, Jim Robertson and myself.

Budget 2017.

A detailed budget has been prepared for the next Financial year, which shows a small surplus for the year of €13,652.

The main points of interest:

Subscription rates for Senior, 7 & 5 day members will remain the same as in 2016. However it will be necessary to charge members for their Affiliation Fee and Members insurance. In the past these costs have been absorbed by the Club, but this is no longer possible. The Club has no control over these costs which are imposed by the 2 Golf Unions and the Insurance Company. The GUI has increased its rate by €3 to €24 per person, while the ILGU rate is €28 per person. There are only 2 Insurance Companies in the market for Golfers Insurance and the premium for this year has increased from €16 to €21 per person.

Expenditure will remain largely the same as this year although we have a full year charge for the increased insurance premium of 23%. We have also budgeted to replace 2 items of Course machinery, a Spraying Unit and a Greens Mower, as these machines are over 15 years old. It is the intention to purchase these, by way of a Lease Agreement, in the March to May period. The final payments on the current leases, for the older machines, will be made in April 2017.

All Bank Loans, Lease repayments and Revenue Commissioner Liabilities are paid up to date. Bank loans outstanding at 31 August 2016 amounted to €267,000. In addition there is the Bond Holders Creditor of €100,000, repayment of which does not commence until 2021/22.

I would like to thank Patricia Fennelly for all the assistance she has given me this year. She does a huge amount of work in keeping the office operations running on a day to day basis, dealing with Member and Committee questions, and keeping the book-keeping in order.

Neil Stirling.
Treasurer.
November 2016.