

BROOMIEKNOWE GOLF CLUB LIMITED

(By Guarantee)

Company Number 029688 (Scotland)

Registered Office:
36 Golf Course Road, Bonnyrigg, Midlothian

SC29688

Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2002

Captain

N A Smith

Vice Captain

D W Kirkwood

Hon Secretary

J D Fisher

Hon Treasurer

A S McGregor

Greens Convener

W I Turnbull

House Convener

D Crichton

M Di Duca

A Mercer

Fixtures Convener

W Renton

I S Mackay

R Johnstone

J White

Junior Convener

S Bruce

D Fairbairn

THE FIFTY-FIRST ANNUAL GENERAL MEETING of the Club will be held in the Clubhouse on Thursday 3 April 2003 at 8.00pm.

AGENDA

- 1 Notice of Meeting
- 2 Minute of the Fiftieth Annual General Meeting held on 4 April 2002
- 3 Minute of Extra-ordinary General Meeting held on 14 November 2002
- 4 Report of Council (appended)
- 5 Accounts for the year to 31 December 2002
- 6 Proposed amendments to Article 9 of the Articles of Association
- 7 Election of Captain and Officials
- 8 Election of Council
- 9 Appointment of Auditors
- 10 AOCB

J D Fisher
Hon Secretary

Bonnyrigg

1 March 2003



Report of the Directors

The directors present their report and accounts for the year ended 31 December 2002.

Captain's Report

How quickly a year comes and goes. But time goes on and my first year as Captain is all but in. It has been very enjoyable and fulfilling.

A lot of time is spent by Council attending many meetings and I wish to convey my thanks to all Council Members for helping to share the work amongst us. We set out this year to attempt to work within our budgets and I can report our success in achieving our aims in many areas but failing in a few. We are now addressing these areas which we hope will make life easier for future Councils and Conveners.

The course has been looked after to a very high standard as we, the members, our guests and visitors have come to expect. All this is due to the hard work of Hamish Brough and his staff, ably convened by Ian Turnbull, who has put in a tremendous effort to make Broomieknowe standards equal to and above many other golf courses in the country. Ian has confirmed that he would like to resign as Greens Convener for personal reasons. We thank him for all his time spent on our behalf throughout the year and wish him well in the future.

My thanks to Avril Mitchell for all her hard work and patience in putting up with the Captain and Council. We all underestimate the amount of work a one person administration has to do for the successful running of a Golf Club.

Our special thanks to John Alexander for catering to our appetites at very reasonable prices. You cannot find his quality anywhere else in the area. Also, our thanks go to Lorraine, Kevin, Christine, Claire and Linsey for tending to our drinking habits at the bar, managed very well by David Crichton our House Convener.

Thank you to Walter Renton, who took over fixtures from Ian Mackay who had to go abroad regarding his work. Ian, on his return, has given us a lot of his time behind the scenes with reports on heating and lighting in the clubhouse and he liaised with Scottish Water enabling Broomieknowe Golf Club to gain a reduction in our water and sewerage rates.

Special thanks also go to David Fairbairn for returning to Council to look after our Junior Section and for accepting the task of President of the Junior League. I should not have to remind you that our Junior Section is the future of our Golf Club and they should be encouraged in every way.

Retiring from Council this year are Ian Mackay, David Fairbairn, George Clark and Maurice Di Duca. We thank them all for their efforts and wish them a well earned rest.

The Centenary Committee have been working hard and progressing well. They are always looking for items of history which could be included in the Centenary Book or celebrations in 2005/2006. If you have any news items or memorabilia you wish to donate, please contact David Kirkwood, Vice Captain and Centenary Chairman.

Land Committee Report

The Land Committee met twice last year to discuss issues in relation to the sale of the practice ground and the possible expenditure of resultant income. At the first meeting, it was agreed to write to all club members, associate members and juniors to canvass their opinions as to how the money could be spent. From a total membership of seven hundred, eleven replies were received with little consensus of opinion.

Report of the Directors (Continued)**Land Committee Report (Continued)**

All wanted the course to be improved especially with reference to practice facilities. Three wanted a new clubhouse on the present site, three on a new site whilst one wanted to pay tax on the income and bank the remainder.

The Land Committee's view was that there was a finite amount we could spend on the course due to the lack of opportunity to expand and that a new clubhouse incorporating pro's shop etc was a worthwhile opportunity. Nonetheless, there was a view that additional land would solve several problems including the siting of a new clubhouse. This in turn might free up the present site of the clubhouse, car park and overflow car park to raise additional funds. That said, the two main possibilities for expansion were Melville and Nazareth House/Holycot Lodge, the latter being on the point of closure. Since that date, it now transpires that it will remain open. The site would have given us sufficient space for a clubhouse, with a possible extension to part of the course and commercial possibilities. In the case of Melville, with good facilities and access, a tension exists between the club and the owners emanating from pre-reconstruction days and little opportunity appears to be available for negotiation. Saying that, we are looking at a longer time-scale and that option may be a possibility.

A suggestion that we re-locate the clubhouse to the old 6th hole where the turf nursery exists was not considered viable. (This had been a suggestion from Morrison Construction a few years ago). For the time being, the general mood is that any income should be spent upgrading the course and rebuilding the clubhouse on the present site although arguably it is reasonable to keep all options open to us given the likely time-scale. The current thinking is that not much will happen for the next three to five years and that the political/environmental situation may change by that time. It would be unwise to take any clear-cut decision until it is evident that planning permission for building on the practice field is about to be granted.

Deceased

I am sad to report that the following members have passed away:

Mr J Kinnaird and Mr S Steel

Mr A N Malcolm and Mr A L Whitson (social members)

and

Dr Mary Noble who was an Honorary Lady Member and will be remembered while we play the sixth hole as it was named in her honour "Mary's Dyke".

House Report

The past year has seen our Steward and Stewardess, John and Lorraine Alexander continue to maintain, and indeed improve, the high standard of catering and service available to our members. There has also been an increase in the number of visitors using the golf course and the clubhouse facilities this year. We have received a number of compliments regarding the high quality of catering and service provided to our visitors.

Our thanks go to our assistant Steward, Kevin Armitage for his professional attitude, his reliability and the friendly manner in which he approaches his work.

There was no significant work carried out to the clubhouse and fittings during 2002. Routine maintenance continued throughout the year to maintain the high standard of our surroundings and decoration. This will continue during 2003. The only major piece of work carried out during the year was the re-instatement of the White House. The pointing and painting of the exterior of the building has now been completed and the larger access allows for safe storage of course equipment.

Report of the Directors (Continued)

House Report (Continued)

Social events continued to be fairly well supported. We saw a full house for the New Year party but unfortunately, numbers for the Xmas Party were down on last year. However, the Quiz Nights during the winter period have proved to be very popular and well attended.

Information regarding all events, and additionally details of all competitions and results, is obtainable on the club website, www.broomieknowe.com. Please visit the site and support the club with your comments and participation.

Fixtures Report

Administration

Having taken over the task of Fixtures Convenor from Ian Mackay who for a short while disappeared to sunnier climes it is only right and proper that I should pay tribute to the administrative order he left behind. His work on the competition administration, NOT provided by the Club 2000 software which the club uses, makes these previously time consuming tasks significantly easier to do. Unfortunately the benefits which accrue from this are not being fully realised because there are still a number of members – or rather practices by members – which still affect these processes and mean that the results can take up to, and occasionally over, 2 hours to produce when in a perfect situation it should be possible to produce these 15-20 minutes after the competition finished.

Traditionally we post competition results on the evening of the competition but there may be occasions in future because of these practises that this will be delayed until the next day. *(If you think that is poor service see postscript)*

Participation

Monthly Medals continue to attract very high numbers of entries, with monthly medals averaging over 180 players – and around 10% of that number in withdrawals each competition. **Wednesday Medals** attracted around 80 players on average but the reserve list was less than 5% of that total reflecting the times available in the middle of the day. I anticipate that availability of times will be even tighter this year if, as is predicted, we admit a similar number of new playing members as the last two years. I have received some constructive suggestions about various issues amongst which is one of moving some of the 'fun' competitions to the winter/close season. This might apply to competitions such as the Texas Scramble and if anyone has any other ideas we will be happy to consider them.

Results

A full list of the winners and 'just-about's' was posted on the notice-board before the prize-giving last November but there are one or two results and outcomes which can bear being repeated. Firstly to the father and son 'double whammy' by Billy and Ross McAlpine who captured the 'wrinklies'(seniors) and club championships respectively in an extremely enjoyable week in June. (Those members who don't come near the course in this week miss some of the best competition and social evenings of the year).

Another competition missed by most members was the Lothian's Golf Association Team Tournament played over Broomieknowe and Newbattle on 27 July where our 4 man team of Alan Bradley, Ross McAlpine, Kenny Smith and Ian Watson had the third best score of the 58 participating teams.

Arguably more notable that day was the new course record of 64 by David Inglis of Glencorse which sets a challenging target for our increasing number of low handicap players. Kenny Smith topped the club player's attempts last year with 66 in the August medal.

Towards 2003

We will strive to provide the service on fixtures that members have become used to. You as a member have your part to play by reading fixtures notices, playing match play ties on time, filling in your scores accurately and clearly, and appearing on the withdrawal list as seldom as possible. Last year

Report of the Directors (Continued)**Fixtures Report (Continued)**

fixtures took a very lenient view towards those who 'strayed from the path' (or should that be fairway?)- next year it is likely to be very different particularly if your 'indiscretions' result in other members being denied, what are likely to be, rare playing times.
And finally – all the very best to you all for the coming season!

PS: Seen on the notice board in the co-op at Mallaig.
Morar Golf Club

The September medal will take place on Sunday commencing at 1:15. The draw will be at 12:45 and results will be posted within the following fortnight.

Junior Report

Since taking over as Convener in 2000 I am pleased to report that the Junior section continues to be very active and a lot of the players are making good progress, especially the younger players. This will be a benefit to the club in the future.

Peter Avent and Fraser Dunlop have played for the club in the Summer and Winter Leagues and Fraser finished in the top ten of the Lothian Junior Order of Merit.

Peter Avent and Roger Taylor contested the Junior Championship and Peter won at the 36th hole in a match which could have gone either way. We held another successful Junior Open which attracted a large entry and I am grateful for the help that Harry Anderson, George Finlay and Peter Sim gave me on the day.

Coaching is important for the development of the juniors and I appreciate the help Mark Patchett has given. I will be continuing sessions in the coming year.

In the Edinburgh Junior League, we finished top of our section and reached the semi-final. Unfortunately, we lost to the eventual winners Prestonfield. We should have a good chance this year as the same players will be available.

I would like to thank Vic Ross for having his company McDonald & Ross sponsor the team.

At the Edinburgh Junior League Annual General Meeting I was elected President which, I feel, is an honour for the club.

Green's Report

The course yet again has been maintained to a high standard with fairways and greens worth special mention. The green staff can take much credit for their efforts throughout the season. The excessive rainfall during the summer months gave big problems to the green staff to keep the course playable. However, the extensive drainage work done on the course last year on the 4th, 6th and 9th fairways and the 3rd, 4th, 7th and 16th greens proved to be very effective and was a major help in keeping the course playable. This resulted in no disruption to the fixture card and minimum disruption to the members. With drainage a problem, further aeration was required on the golf course and a Weidenmann Terra Spike System was purchased to help the aeration programme. This spike system will provide deep aeration and relieve compaction on rough, fairways and greens.

The winter programme will include resurfacing of course pathways, renewal of five tees, hollow-coring all greens and extensive course aeration. The green staff would appreciate if all members would rake bunkers and repair pitch marks for the benefit of other golfers and the condition of the course.

Report of the Directors (Continued)**Members of Council – Attendance**

	Actual	Possible
Mr G S Lothian	3	3
Mr N A Smith	10	11
Mr D Kirkwood	8	8
Mr J Fisher	11	11
Mr A McGregor	10	11
Mr R Thompson	3	3
Mr I S Mackay	8	11
Mr S Bruce	10	11
Mr A MacDonald	3	3
Mr D Crichton	8	11
Mr R Johnstone	11	11
Mr M Di Duca	9	11
Mr D Fairbairn	7	8
Mr G Clark	2	5
Mr I Turnbull	7	8
Mr A Mercer	8	8
Mr J White	8	8
Mr W Renton	8	8

Report of the Directors (Continued)

Statement of Directors Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts the directors are required to

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the accounts 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 accounts 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.

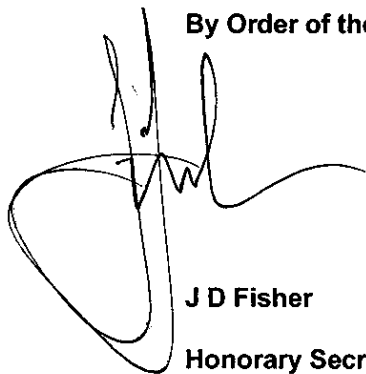
Auditors

The auditors, James Anderson & Co C.A. have indicated their willingness to continue in office and a resolution proposing their re-appointment will be put to the Annual General Meeting.

Small Company Exemptions

The directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



J D Fisher
Honorary Secretary

2 April 2003

We have audited the accounts of Broomieknowe Golf Club Limited for the year ended 31 December 2002 on pages 8 to 12. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 10.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and 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 accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 31 December 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

James Anderson

James Anderson & Co
Chartered Accountants
Pentland Estate
LOANHEAD
EH20 9QH

Registered Auditors

2 April 2003

Income and Expenditure Account
For the Year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover	2	473,028	469,456
Operating expenditure		439,821	432,815
		<u>33,207</u>	<u>36,641</u>
Administrative expenses		55,105	55,847
		<u>(21,898)</u>	<u>(19,206)</u>
Other operating income		8,102	6,677
Operating deficit	3	<u>(13,796)</u>	<u>(12,529)</u>
Option over land – net proceeds	4	66,527	-
		<u>52,731</u>	<u>(12,529)</u>
Bank interest received		8,709	10,192
Surplus/(Deficit) before taxation		<u>61,440</u>	<u>(2,337)</u>
Corporation tax	5	2,060	1,124
Surplus/(Deficit) for the Year	8	<u>59,380</u>	<u>(3,461)</u>

There were no recognised gains or losses other than those dealt with in the above income and expenditure account.

Balance Sheet

As at 31 December 2002

	Notes	2002 £	2001 £
Fixed Assets			
Tangible assets	6	426,124	423,088
Current Assets			
Stock	7	6,913	6,313
Debtors		14,463	28,850
Cash at bank & in hand		261,879	137,867
		283,255	173,030
Creditors due within one year			
Trade creditors		44,647	12,717
Other creditors		1,178	1,019
Other taxes & social security costs		12,234	3,327
Accruals		3,767	2,665
Corporation tax		436	-
Subscriptions received in advance		78,771	68,334
		141,033	88,062
Net Current Assets		142,222	84,968
Total Assets less Current Liabilities		568,346	508,056
Deferred Income			
Entry fee deposits		9,615	8,705
Total Assets less Current Liabilities		558,731	499,351
Capital and Reserves			
Reserves	8	558,731	499,351

The accounts which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 2 April 2003 and signed on its behalf.

 N A Smith Captain

The notes on pages 10 to 12 form part of these accounts

Notes to the Accounts
For the Year ended 31 December 2002

1. Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

Tangible Fixed Assets & Depreciation

Tangible fixed assets are stated at cost less depreciation.

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

Freehold buildings	50 years
Clubhouse furnishings	5 – 10 years
Course equipment	7 years
Irrigation system	15 years

Stock

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

Pension Scheme

The Club operates a money purchase defined contribution pension scheme. Contributions are charged to the income and expenditure account as they become payable.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. Turnover

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

3. Operating Deficit	2002	2001
This is stated after charging:	£	£
Operating leases	31,068	31,068
Auditor's remuneration	2,120	2,000
Depreciation	24,528	19,248
Honorarium	2,800	2,600
	<hr/>	<hr/>

Notes to the Accounts
For the Year ended 31 December 2002 (Continued)

4. Option over Land

The Club granted an option to Cala Management Limited over an area of land. A sum of £75,000 was received in consideration for the grant of the option and professional fees were incurred of £8,473 giving the net proceeds of £66,527.

As it is the intention of the Club to reinvest the proceeds within the three year time limit for rollover relief, no provision has been made for corporation tax on the gain arising. There is a potential tax charge of £13,729 if the reinvestment does not take place.

5. Taxation	2002	2001
	£	£
Corporation tax	2,060	1,124
	<u> </u>	<u> </u>

6. Tangible Fixed Assets

	Land & Buildings	Clubhouse Furnishings	Course Equipment	Total
	£	£	£	£
Cost				
At 1 January 2002	425,034	132,980	171,298	729,312
Additions	-	4,134	23,480	27,614
Disposals	-	-	(430)	(430)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2002	425,034	137,114	194,348	756,496
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 January 2002	66,750	120,911	118,563	306,224
Charge for the year	5,702	3,878	14,948	24,528
Disposals	-	-	(380)	(380)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2002	72,452	124,789	133,131	330,372
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
At 31 December 2002	352,582	12,325	61,217	426,124
At 1 January 2002	358,284	12,069	52,735	423,088
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the Accounts
For the Year ended 31 December 2002 (Continued)

7. Stock	2002 £	2001 £
Bar	6,473	5,863
Badges & ties	440	450
	<u>6,913</u>	<u>6,313</u>

8. Reserves

	Special Centenary Fund	Revenue Reserve	2002 £ Total	2001 £ Total
At 1 January 2002	15,684	483,667	499,351	502,812
Centenary transfer	6,081	(6,081)	-	-
Surplus for the year	-	59,380	59,380	(3,461)
	<u>21,765</u>	<u>536,966</u>	<u>558,731</u>	<u>499,351</u>
At 31 December 2002	<u>21,765</u>	<u>536,966</u>	<u>558,731</u>	<u>499,351</u>

9. Pension Commitments

The Club operates a defined contribution pension scheme. The assets of the scheme are held separately in an independently administered fund. At 31 December 2002 unpaid contributions of £1,178 (2001 - £1,019) were due to the fund. They are included in other creditors.

10. Financial Commitment

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	2001 £
Expiry date:		
Two to five years	31,068	31,068
	<u>31,068</u>	<u>31,068</u>