

Helsby Golf Club Limited
Accountant's Summary
Year Ended 31st March 2020

20th October 2020

To whom it may concern,

May we start this summary by wishing you the best of health during this unprecedented time which has presented many challenges in all aspects of our day-to-day lives.

We have now completed the Accounts for the year ended 31st March 2020 and would like to take this opportunity to summarise the variances and overall net loss for the year. Please see our comments below:

Revenue

The revenue reported for the year has significantly reduced in comparison with the previous year. From discussions with the club, one of the reasons for this is due to the poor winter that was experienced at the back end of 2019 and start of 2020. The club had started to feel the impact of the current epidemic with a downturn in visitors and numbers attending the events held, with the eventual closure of the club on 23rd March 2020.

Whilst preparing the 2019/20 Accounts, it was identified by the club that the deferred subscriptions figure from 2018/19 was under accrued by £30,000. As a result, this has meant that the loss reported for the year is greater than originally forecasted (as the income was recognised in 2018/19 rather than in 2019/20). From discussions with the club and the directors, processes have been put in place to ensure that this does not happen again.

Bar Profit Margin, Brewery Rebate & Catering

The bar's profit margin increased for the 2019/20 year from 46% to 49%. As part of this figure, there has been an estimated brewery rebate totalling £3,000. This figure was estimated in line with the club's expectations following the delay to receive the rebate due to the coronavirus pandemic. Any variance in rebate received for the year will be adjusted for in the 2020/21 Accounts.

During the year, the club took over the catering due to the absence of a chef within the bar. The club ran the catering for a period of 6 months (October - March) and unfortunately sustained a loss during this time.

Wages

During the period, the wage cost increased which was predominantly due to the employment of the caterer within the kitchen. The greens wages also increased back in line with the 2018 year.

In summary, a c. £64,000 loss was sustained during the 2019/20 year which has been generated through the reduction in revenue (c. £51,000) and an increase in overheads (c. £16,000). The improvement of the bar's gross profit and reduction of other direct expenses has resulted in a c. £1,000 saving in direct costs.

Yours faithfully,



Burton Beavan