

**A refund from the VAT man meant that many clubs in the country were awash with funds. Wolstanton was one which put the money to good use. Scott MacCallum reports.**

The news was greeted with an amazement not dulled by the falling of the Berlin Wall, the dismantling of apartheid or England reaching the semi finals of the 1990 World Cup finals all extraordinary events from around the same time.

"Never in a month of Sundays...", "I'll eat my hat...", "Hell'll freeze over before it happens..." were just some of the incredulous remarks coming out of golf clubs when rumours reached them that the VAT man might just be handing back money after an EC directive.

Well I'm sure we've had a month's worth of Sabbaths since the rumours began and that milliners have done a roaring trade in smoky bacon flavoured boaters. I can't, however, vouch for the climatic conditions in Old Nick's back yard but all the same it was true and golf clubs, at least members' golf clubs, have been given a wonderful windfall.

The reason it happened is irrelevant to the clubs which are basking in new found riches but came about because as members' clubs they were entitled to VAT exemption on membership fees but had been paying it since 1990.

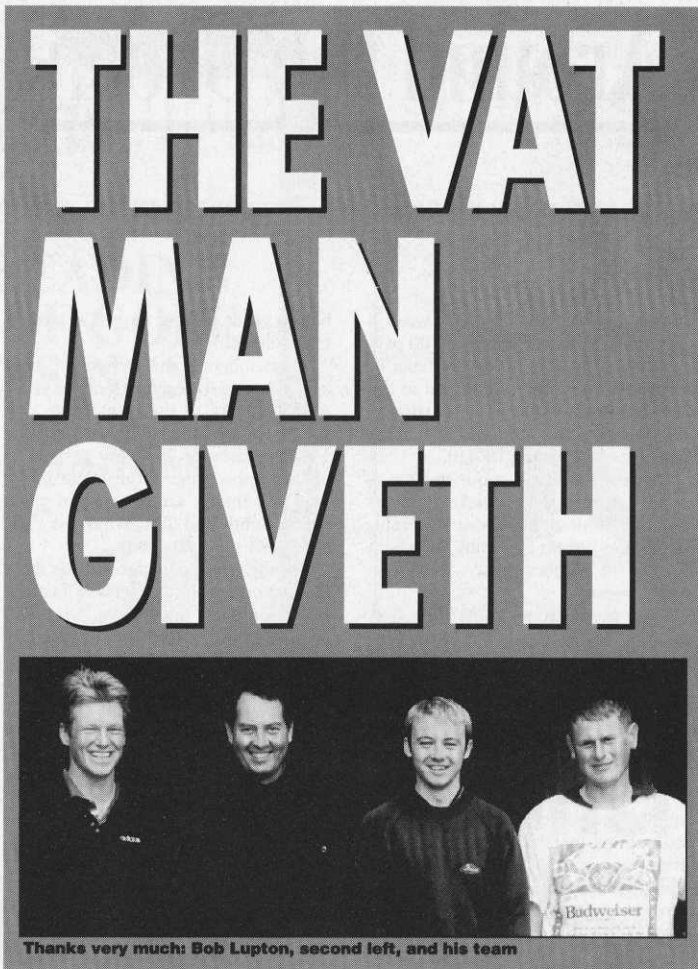
Anyone who comes into large sums of money has problems – or so I'm told. Bev Nicholson, that bloke who won £19 million on the lottery, Paul Gascoigne have all proved that money brought difficulties and golf clubs were no exception.

Who did it belong to? Or, to be grammatically correct, To whom did it belong? Was it the club's or was it due to the individual members who had paid the VAT on the membership subscriptions in the first place?

The best legal minds in the country were divided and it was left to clubs themselves to decide how best to cope with the best problem they had encountered in many years.

One club which was one of the earliest to reach a decision which was acceptable to everyone was Wolstanton GC in Newcastle-under-Lyme where the person with most to be pleased about was Course Manager, Bob Lupton, who has been able to improve the conditions of his staff and solve a long term drainage problem.

"It was always accepted by the club that the facilities for the greenkeeping staff were not very good from either a welfare point



of view and from the health and safety aspect," explained Bob.

"We basically had a dilapidated 50 year-old ex-Ministry of Defence building and while we had a flushing toilet, hot and cold running water and central heating we didn't have any showers and the general condition of the building left a lot to be desired."

It had always been intended that the facilities would be improved but that it would be as and when the money was raised by the club and Bob was told when he was appointed two and a half years ago that it was going to be done.

When it was discovered that money was due from the VAT man and the amount the club's directors sat down and wondered what was the best way to handle the windfall in fairness to the members.

Many of the members felt that the money was theirs and that it should be returned to them but there was a view that the club, as the receiving body, was entitled to it.

"We were in a very fortunate situation as we had all the individual records of members going back to the time in question so if required we could work out how much each individual was entitled to," explained Club Secretary, Mike Staniforth.

It was a task that is more difficult than it would at first appear

as the varying membership categories would have paid different amounts, some members were members at the beginning of the qualifying period but not the end and others joined midway through the time and only paid a portion of the recoverable VAT money.

The decision the Board took was a masterpiece and all members should be handed the task of conducting the Irish and Bosnian peace talks as quickly as possible.

It was decided that the money should be refunded to the members and, at the same time, impose a levy on them for the amount of money required to improve the greenkeeping staff's facilities and the drainage work on the course.

"We held an extraordinary general meeting where proposal number one was to reimburse the members to the full extent of the refund and then we had a director who very capably explained the reasoning behind why we need to spend money on the golf course and the second proposal was that we levy the members a certain amount of the money in order to carry out the necessary improvements," explained Mike.

"It was very cleverly done. We had over 200 members out of a membership of over 600 and the proposal was carried with a majority of around 95%."

Amounts vary but a full playing

member who qualified for the full period of the refund received around £80 as well as seeing the improvements to the club.

"The refund and the levy were done in conjunction with last year's subscriptions. Instead of asking for just a subscription without VAT we asked for a subscription, plus the levy, minus the VAT refund. It was an administrative nightmare but it showed everyone exactly what was happening," explained Mike.

The new greenkeeping facilities include a new £30,000 storage facility and a second phase which will be completed soon.

"This will have showers, toilets, drying room, mess room, office, workshop facilities and will cost around £40-£50,000," said Bob. "Had we had to wait until money became available it might have meant a four or five year phased plan and we may not have got as good as we are going to end up with."

"There have been no adverse comments from members at all because our existing building is on the way down to the first tee and they have been aware of our lack of facilities."

The influx of money has also allowed Bob to tackle a long standing drainage problem at the bottom end of the course.

The course borders the A34 with housing between the course and the road and the problems arose because the course sheds down to the A34 but the houses stopped drainage water going down and there was no access.

"We have now been able to gain access to the A43 through one of the houses through which we've installed a proper drainage scheme, but it's cost a lot of money to do this," explained Bob.

"The resident is not a member but we wanted to put a drain down his drive and he is getting a new drive and a patio and various other things out of the deal. All his legal costs have been paid by the club and it's not cost him a penny.

"We're not only solving a problem for the golf club we're also solving a problem for the residents whose homes were being flooded in winter time."

The total cost of the new greenkeeping facilities and the drainage scheme is in the region of £100,000 paid for entirely by the VAT windfall while the members also enjoyed a rebate on their subscriptions.

●How has your club handled the VAT situation? Have you benefited directly from it or has the money gone into other areas of the club or back to the members? Write to Greenkeeper International and share your VAT experiences.