

# **DURHAM CITY GOLF CLUB**

## **Financial Report of the Club Committee for the year ended 31<sup>st</sup> October 2020**

### **Financial Results – November 1<sup>st</sup> 2019 to October 31<sup>st</sup> 2020**

Like last year the Committee has presented two sets of company accounts to the members which are available to view on the website. Also, to assist members to better understand the financial benefits to be derived from being a CASC the Committee has had drafted a combined profit and loss account in the same format as previous years.

For 2019/20 the trading and profit and loss account shows a loss of over £27k prior to taxation. After taking account of other income i.e. Government grants, bank charges refund and donations we are pleased to report a surplus of over £56k for the year which will be used to meet our debt and capital commitments we have made this year. (See below). At this point it should be said that many government grants received last year were of a 'one off' nature and may be less in the current year (2020/21). As such we do not expect the surplus position continuing.

Due to the Covid pandemic we faced in March it was the major factor in our operational performance for this financial year and indeed continues to be at the forefront of planning for the future. Agreed revenue and expenditure budgets for the year became irrelevant. Initially, we faced total lockdown with the Club closed and limited staff working. With significantly reduced revenues, it was important to take steps to reduce expenditure in as many areas as possible. All contracts for services provided to the Club were analysed and suspended where possible after direct discussion with relevant suppliers. Capital repayments on our long-standing bank loan was also suspended for 6 months. The furlough scheme, introduced by the Government to promote the retention of employment, gave us the opportunity to furlough members of staff who were unable to work. Against the backdrop of reduced revenue, it was important to maintain the investment in the core asset of the Club, the course, and staff were retained to ensure basic maintenance was accomplished until we could reopen.

#### ***Debt and Capital expenditure***

The Club's position at the end of 2019/20 was positive however cash flow will still be an issue because of the level of debt we need to service. Repayments last year amounted to almost £40k and this was met from the £56k surplus. At the year-end our only outstanding loan stood at around £193k and will not be fully paid off until October 2026.

In this difficult time, the Course has rightly taken priority and several items of machinery have been purchased totalling £48.5k plus VAT paid in full after taking into account part exchanged equipment. The objective will always be to prioritise the course for our members providing necessary investment when finances allow.

Whilst the overall position is improving it is still tenuous and we rely heavily on subscriptions paid in advance. Going forward we need to be vigilant and prioritise expenditure to ensure we can meet our commitments and avoid the need for an expensive bank overdraft. Any major investment /schemes need to be affordable and properly planned in order to maintain our cash flow.

#### **Looking ahead – 2020/21 onwards**

We are still in the grip of the pandemic and the future is still uncertain for the rest of 2021 but we are committed to the long-term development and success of the Club. Whilst costs will continue to increase, and revenues will become more difficult to replace and grow in a competitive marketplace and ever-changing world, the overriding focus and objective of the committee has been, and will continue to be, the needs of the Membership as a whole. By maintaining a sound financial position with good internal budgetary controls and planning, this objective will be achieved.

#### **Proposed membership fees from 1<sup>st</sup> November 2021 to 31<sup>st</sup> October 2022**

Membership fees are set out in the agenda and are our main source of income. Given the financial issues outlined above the Committee seeks approval to help stabilise the finances going forward.

#### **Message to all members**

Finally, we would again thank you for your support and hope you have a successful season in the months ahead.