

MESSAGE FROM THE DIRECTORS

At the AGM last year, the Board of Directors made a commitment to keep the members updated on the financial performance of the Golf Club and how it would be tracking against the budgets proposed and approved by the membership. The financial summary attached and subsequent commentary are for the period 1st April to August 31st inclusive.

Whilst forecasting and budgeting has been challenging over the last 2 years, the Board now is confident that it has control and visibility over all revenue and cost of sale lines. We have already started work on budgeting and cashflow projections for the next financial year and we are confident that we will be able to share a budget that will protect the current financial stability of the club.

Overall, the results YTD show a better performance than was predicted for the first part of the year due to several factors such as, higher levels of subscriptions, strong bar sales and higher green fee sales. We have also benefitted from an additional Government Grant and lower business rates.

Cashflow management and cash in bank has been a major focus for the Board for the last 2 years and this is demonstrated by the fact we have nearly £100,000 (£327,967 vs £228,183) more 'cash in bank' than we did this time last year.

Therefore, the Board are very confident that, based on the current YTD figures attached, we will exceed our year end profit and cashflow projections.

It gives the Board a great deal of pleasure sharing this strong financial update with the members and whilst we will retain a disciplined approach to managing the cashflow, the Board will be making a number of recommendations that will allow the club to continue to invest in projects that will improve the quality of the course and the facilities. These recommendations will be put to the members for approval at the AGM to be held on Thursday November 18th.

Kind regards

Board of Directors
Helsby Golf Club

HELSBY GOLF CLUB - FINANCIAL REVIEW AS AT 31st AUGUST 2021

	<u>ACTUAL</u> <u>AS AT</u> <u>31/08/2021</u>	<u>ANNUAL</u> <u>BUDGET</u> <u>2021/2022</u>
<u>SALES</u>		
SUBSCRIPTIONS (1)	351,285	355,000
BAR SALES (2)	47,527	79,000
COFFEE SALES	635	3,150
GREEN FEE INCOME (3)	52,483	85,000
OTHER INCOME (4)	44,156	22,600
	496,086	544,750
<u>PURCHASES</u>		
BAR PURCHASES	23,813	43,450
COFFEE PURCHASES	545	1,323
OTHER PURCHASES (5)	21,563	7,840
	45,921	52,613
<u>DIRECT EXPENSES</u>		
ADVERTISING	60	3,600
	450,105	488,537
<u>OVERHEADS</u>		
HOUSE/ADMIN WAGES	37,529	79,900
UTILITY COSTS (6)	11,384	55,000
GENERAL RUNNING COSTS	37,782	77,500
 GREEN WAGES	 61,887	 138,000
GREEN EXPENSES (7)	24,636	42,000
 PROFESSIONAL FEES	 15,408	 42,000
BANK CHARGES & INTEREST	2,749	7,000
	191,375	441,400
 DEPRECIATION	 45,000	 45,000
 NETT PROFIT (8)	 213,730	 2,137
 CASH IN BANK (9)	 327,967	
 CAPITAL EXPENDITURE (10)	16,672	

(1) SUBSCRIPTIONS

The majority of subscription income is earned in the first quarter of the financial year. The remaining subscriptions to be paid by standing order by the end of November plus some new member subscriptions will bring the total above budget for the year.

This year the membership fee was kept at last year's level and members have paid 75% of their annual subscriptions to compensate them for the reduced playing year in 2020 due to Covid-19. £60,000 has been brought forward from last year's subscriptions to cover the shortfall.

(2) BAR SALES

Bar sales are on track to achieve in excess of budget this year with higher levels in the summer months than during the winter. This is providing that we do not have any further Covid restrictions or a very wet winter.

(3) GREEN FEE INCOME

Income from visitors and societies is also on track to achieve budget, again with higher levels in the summer months than during the winter. This is also dependent upon Covid and the weather.

(4) OTHER INCOME

This includes an £18,000 grant from the Government for business loss due to Covid-19 restrictions. Also included in the figures are the payments made by our Hole Sponsors to cover the cost of the new signage on the first 9 holes on the course. Neither of these were included in the annual budget.

(5) OTHER PURCHASES

This includes the cost of the new signage on the first 9 holes on the course which was not included in the annual budget.

(6) UTILITY COSTS

The budget figure for the year includes £27,000 for business rates but the actual bill is only £6,795 under the Business Rates Relief Scheme due to Covid. The rates are to be paid monthly between 1st August 2021 and 1st February 2022.

(7) GREEN EXPENSES

Green expenditure looks high in relation to the annual budget. This is because the majority of the chemicals, top dressing and fertilisers are purchased in the first quarter.

(8) NETT PROFIT

As the majority of the club's income is received in the first part of the financial year, the profit looks very healthy. The monthly income for the rest of the year will be much reduced (only bar sales, green fee income and some SO subscriptions) and will not cover the monthly costs. This will reduce the profitability for the year which will be closer to the budgeted profit but ahead of expectations.

(9) CASH IN BANK

The Club has a very healthy cash balance at the end of August but like the profit, this will reduce as it is used to pay the costs not covered by income for the rest of the financial year. It is predicted that the year-end cash in bank will be higher than expected.

(10) CAPITAL EXPENDITURE

There has been some limited Capital Expenditure in the first quarter of the year to replace broken equipment and machinery and to purchase some patio furniture. We had the opportunity to purchase a second-hand mower for mowing the green surrounds which can also be used to mow the tees and fairways, taking the pressure off our existing ageing equipment. The decision was taken to buy the mower in July at a cost of £13,000. The cost of a new mower would have been £42,000.