

"We are told that we have taken on 100 new members this year but our revenue on subscriptions has fallen by £2.5K. Obviously we have lost a lot of members because of Covid but have those 100 new members paid a full subscription for the category they have joined like all the other members of the club. Or have deals been done like cheap memberships or Buy One Get One Free.

John Finegan

*John – thanks for the question. The fall in revenue that you mention is from the Audited Accounts and refers to the year ending 31<sup>st</sup> May 2020. The influx of new members is for this year (20/21) and our Membership Director provides some detail below. ND*

### **Background for members**

*Please bear in mind that there was a huge boom in the number of people wanting to join a Club as it would be cheaper than paying regular full price green fees.*

*Individuals and groups were applying to other clubs at the same time as applying to Shirley Park.*

*When we started recruiting we had no idea of how many existing members would not re-join.*

*We generally expect to lose 20-30 members per year at the time of renewal. With the added problems created by Covid e.g. Lockdown, members being furloughed, financial problems caused by lack of work and health issues, we were concerned that we could lose significantly more.*

*Discounts on first year subs were only offered to 2 sizeable groups who were also a very attractive proposition for our competitors in their recruitment of new members of course.*

*The vast majority of new members paid full subs and we obviously hope that they will re-join.*

*I did actually decline several enquiries where I felt their requests for discounts were unreasonable.*

***Absolutely no BOGOF.***

### **NEW MEMBERS as of January 2021**

#### ***MALE***

|                 |    |
|-----------------|----|
| 7 DAY           | 42 |
| CAT E (26-33)   | 26 |
| E Country       | 1  |
| CAT D (22-25)   | 12 |
| CAT B/C (16-21) | 8  |
| 5 DAY           | 10 |

***Subtotal***                      ***99***

## LADIES

|       |   |
|-------|---|
| 7 DAY | 3 |
| 5 DAY | 1 |

|          |   |
|----------|---|
| Subtotal | 4 |
|----------|---|

|                    |            |
|--------------------|------------|
| <b>Grand total</b> | <b>103</b> |
|--------------------|------------|

*In addition we recruited 14 new Academy Members and 3 Juniors.*

## SUMMARY

*Having recruited 103 golf members as above, at 1st January we have 58 more golf members than in August 2019.*

*August 2019 was the last full year and takes into account those who did not rejoin at that time.*

*The above influx of new members has brought in over £115000.*

***This will be included in subscriptions for the accounting year 2020-2021.***

*Barry Pearce, Membership Director.*

“Can copies of the Board Meeting minutes be published”?

David Millar

*David – thanks for the call and as agreed, I am publishing this on the FORUM for all to see prior to the AGM.*

*I take your point David regarding communication and certainly agree that the Board can improve in this area. It is definitely not our intention to keep anything from the members and we can definitely improve, communications-wise.*

*Please would you allow me to take this to the Board meeting in February to discuss this suggestion and I will come back to you. My initial feeling is that while there are certain confidential subjects discussed at the Board Meetings, there is nothing to stop us publishing a summary of the majority of subjects and plans for the club.*

Hi Neal.

Firstly I would like to thank you and all the Directors who have served the club in the last year. It must have been a very trying time for you all and sitting in the boardroom making decisions and running the club on behalf of the members can seem pretty thankless at the best of times.

I do have some questions and concerns regarding the accounts and would be grateful if you could take some time to answer and clarify some points for me.

COVID took hold in March leaving approximately 10 weeks of our financial year left to run about 20% of the year. The club moved into profit by 12k as you say mainly due to the Furlough pay/job retention scheme payment from the government of 26k. Does the furlough pay come to the club roughly one month in arrears so the club paid the staff for May, the Government reimbursed us in June so this income will not be listed in these accounts.

*Martin – for sake of ease, I have copied your points and then put my answer directly after.*

*We claim the monies after the payroll (25<sup>th</sup>) but even if it came in after the month-end, we would include this in our Profit & Loss as it refers to that period.*

*Furlough arrangements were mixed at the time with bar staff and handyman obviously all on leave, green staff reduced at times and the office staff phased out/in.*

*The accounts show the cost of paying a member of staff 80% which is then refunded by the government (i.e. the £26k)*

When the club asked for the early subscriptions and 130 members responded positively is this shown in the accounts under 2020 subscriptions, £517,108.

*No – these early subscriptions were in respect of subs for 20/21 and whilst they provide an immediate influx of cash, they are included in the next year's P&L.*

*The rule of thumb is that you show sales in the year that you provide the service (or goods). So good for cash but not the P&L of the audited figures (19/20).*

*The figure of £517k only refers to subs for 19/20.*

Lockers and trolley shed income fell in 2020 £19,562 from 2019 £21,528. This would suggest a decline in membership, how many members did we lose if any.

*I don't immediately have the membership numbers to hand but subs were pretty level so only a marginal difference.*

*Locker income was practically the same (£60) which I would expect as sold out.*

*Trolley Shed income – I look at the figures every month and compare to previous month and previous month last year and also to every month since Jun 17! Claire advises that the Trolley Shed figure for 2018/19 was overstated hence the apparent reduction. I am testing that assertion over this year and will get to the bottom of this one way or another!*

Bar income fell, 2020 £182,309 compared to 2019 £239,076 COVID again makes the figures skewed but this figure seems a bigger drop than the bar being shut for 10 weeks should be.

*At the end of Feb, we were nearly £8k behind the previous year so we may well have ended up short in any case. Mar to May are traditionally some of our strongest months with the weather, members, green fees and societies so the bar takings are disproportionate to lots of months.*

*Mar to May 2019 yielded £58k whilst this year we only took £10k so you can see the huge effect.*

Function income has also fallen 2020 £5,406 compared to 2019 £14,470 again a much larger drop than would be expected.

*We are just doing some reconciliation work and I will come back to you on this.*

The amount of members and functions in the club appear to be in decline for the year even pre COVID is this a fair assessment.

*The subs were only marginally down which suggests only a small difference in membership. I meant to look at the detailed Functions reports this week but missed it – sorry, will come back to you.*

In the Treasurers report you reference the club having a poor October through December and needing to make cuts totalling £50,000 per annum, do we see the £25,000 savings for the last six months of the year in these accounts or not truly in effect until 2021.

*The cuts were:-*

- *One of the Ground Staff which kicked in in late Jan/early Feb and the effect can be seen for the last few months.*
- *Handyman – changes were due to take place in April but COVID overtook and handyman was placed on Furlough with immediate effect. New handyman is on the reduced hours we had arranged with KS.*
- *Beer increases totalled about £300pm – were intended for March but obviously that had little effect with the VIRUS*
- *Rent – increases came into play from March*

*Essentially, we will feel the full effect this year.*

After a poor quarter and the need to make cuts did the board consider further cuts?

*I conducted some analysis and a lot of meetings and the above measures were taken as an immediate step. The plan was to review the effects at y/e (May) and take it from there.*

*You can see that I conduct a lot of analysis of the club's performance each month and costs are under the microscope constantly.*

We see in the accounts Admin salaries pensions and NI an increase 2020 £120,597 compared to 2019 £118,727. Taking into consideration 80% Furlough pay and the G.M taking a 30% wage cut for a period of time, then that figure for 2020 would actually be higher what are our current admin liabilities in relation to salaries?

*The liability for 2019/20 is hugely complicated by the Virus and the actions were not immediately to furlough fully. As you are aware SM took a wage cut and TP/CM were furloughed for different periods and on different terms.*

*The Admin costs are spread across salaries, lunches and pension contributions and as above, we are re-designing the layout to reflect the total costs per department.*

*On the current run-rate, I would expect it to be level with last year.*

A similar scenario is evident in Establishment salaries pensions and NI 2020 £26,746 compared to 2019 £21,345.

*Coincidentally, I have just asked CM about this. Rather annoyingly, the Auditors have actually attributed the whole staff's pension costs to this line! This does not change the end result but obviously skews this individual line. I will ask for prior-year adjustment.*

Finally in the Treasurers report for 2020 you mention at the end of February the accounts was within £3k of the previous year, we recorded a 9k loss in 2019 was we £3k up or down.

*Sales were £3k down on the previous year at the same point.*

Later in the report it is stated that at the end of February we was £11k up on the previous year. This seems unclear to me could you elaborate.

*We were £11k better off than the previous year at bottom line i.e. we were showing a ytd loss of £12k against £23k the previous year. With the better months to follow and the costs cutting measures starting to fall into place, I was confident we would make a small profit.*

*Apologies for any confusion, I am hoping to start reporting to the members a summary of monthly management figures once we finalise the format of the proposed membership communications (See David Millar point above).*

Moving forward into 2021 and the current ongoing COVID restrictions on the Golf club, you are forecasting a return to profit of £25k this would be most welcome and a testament to you and the hardwork going on behind the scenes.

Is this figure achievable because of the furlough pay, business rate freezes, and credit holidays, or are we standing on our own two feet.

*I am forecasting our **cash** position to be £25k credit.*

*There are different accounting methods used for Cashflow, Balance Sheet and Profit & Loss but without going into the intricacies of each, the most important is the cashflow.*

*I have little in the way of financial information from the club so I have had to concoct a cashflow forecast using the bank accounts, known cash liabilities and estimates on monthly sales.*

*Obviously, it is a bit finger in the air but once the base is in there, I have something to go by and monitor. Clearly, when the bar does eventually re-open and you buy me a pint, I will add £4 to the sales line!*

*My aim is for the club to not only wash its face but to make a small surplus which we can then use to improve facilities etc. and that is why I am spending so much time devilling the numbers and turning every stone.*

*Obviously, some things are out of our hands but at this point, we are looking positive.*

*Martin - thanks for taking the time to write such a detailed email – hope this answers your points.*

ND