



ANNUAL REPORT
Year Ended
30th November 2019

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Key schedules from the Annual Accounts to 30th November 2019

Major Club Competition Winners 2019

Men's Champion – Jamie Morris	Ladies Champion – Sheila Cuthbertson
Junior Champion – Kerr Sutherland	Ladies B Champion – Iris French
Men's B Champion – Mark Cowan	PING Mixed Foursomes – Martha & Les Shortreed
Men's C Champion – Keith McDonald	Cooksey Trophy – Marny Waddell & John Elliot
Thorburn Cup – Cameron McBride	Summer Singles – Jim Watson
Centenary Trophy – Iain Mitchell	Captain & Vice Captains Trophy – Steven Waldie
Kenny Allan Trophy – Jamie Morris	Balfour Beatty – Jim Watson & Martin McKemmie
125 Trophy – Scott Tait	Ballot Foursomes – Brian Robson & Alan Aiken
Tweeddale Motors Trophy – Mark Pearson	Ford Trophy – Steven Whiteford

Notable Player Achievements

Craig Howie: In his second season as a professional Craig secured full Challenge Tour status for 2020 after reaching European Tour Final Qualifying Stages and making the 72-hole cut, missing out on the main Tour by just two shots after a superb final round 66. He finished 3rd place in the Qualifying Stage Two at Las Colinas

Darren Howie: Finished runner-up in the Scottish Golf Men's Order of Merit after an excellent season which included reaching the semi-finals of the Scottish Amateur Championship, second place in the North of Scotland Open and third place in the Battle Trophy. Represented Scotland in the Home Internationals winning 3.5 points from a possible 5.

Stephen Roger: Secured a top-10 ranking in the Scottish Golf Men's Order of Merit and was pipped to the Welsh Amateur Open Stroke Play Championship in a play-off. Finished in 8th spot in the prestigious Lytham Trophy and had 3 other top-10s.

Our Men's Team finished runners-up in the final of the Borders Summer League while our Junior Team reached the semi-finals of the Edinburgh Junior League.

1. Captain's Report

Writing the introduction of this Annual Report will be one of my final duties as Captain of Peebles after two very challenging years in the role. It has been a difficult time and with many changes but at every step of the way I have tried to do what's best and work hard for the betterment of the club.

Beginning with the positives, our golf course has been in excellent condition over the past 12 months and it is testament to the hard work and talent of our greenkeeping team that we now see so many members continue to play golf throughout the winter. We really do have a fantastic golf course set in a beautiful location and the investment we have made in our course over recent years is really paying off with all year-round playability. My thanks go to Steven Borthwick and his team for all their efforts, as well as the volunteer gardeners who do such a fine job in creating that all-important first impression through the clubhouse surrounds. We've received many positive comments from visitors regarding the condition of the course and I would encourage each of you to help spread the word to friends, colleagues and golfing acquaintances that Peebles really is a great place to enjoy playing golf.

Attracting more members and visitors is vital and everyone has a part to play in this. We have a limited marketing budget, but word of mouth – and these days reviews on social media – are our best marketing channel. Despite the increased profile of the club, we remain a relative hidden gem, even within our own community, and I can't stress enough that members need to be strong and positive ambassadors for the club if we are to ensure our long-term sustainability.

Membership numbers and income have fallen for the second year in a row, particularly in the male full membership category, representing a worrying trend after a period of growth over the previous four years. Many factors have contributed to this, but we need to work together to reverse that trend and attract more people to the club. We have three major sources of income – membership, visitor green fees and the bar – and the focus of the Board, committee and staff is to grow each of these, but others need to play their part. If each member could attract either one friend, one group or visitors or book one social function with the club, we would be in a much better position.

One of the biggest headaches during my Captaincy has been that of our Catering Franchise recruitment and I fully acknowledge the problems that have been created by our previous two caterers, both of whom failed to meet the expectations of service and product by the members. It has been a very difficult job to find the right fit, but hopefully now with the Harry's View catering team on board we can start to look forward, and not back. They have made a positive start during their first four months, with an offering much more suited to the needs of golfers. I would encourage all members to give them your support and help us to rebuild the clubhouse atmosphere we know can be created with a busy restaurant, lounge and bar. We have had some excellent sell-out functions of late, including the Taylor Brothers supper dance, Gin Tasting night and Breakfast with Santa, in addition to members' parties, and we welcome suggestions and support in staging more in 2020.

The Committee took the decision to open the lounge and restaurant up to non-members as a necessary step to grow our clubhouse revenue.

It was clear members' usage was on a downward curve and to attract the type of caterer, we needed to grow the size of their potential audience. It has been a slow burner so far and any negative perceptions of being overrun with non-members have not materialised, but we do need to grow our non-member revenue to ensure the viability of our clubhouse as an eating and drinking destination. It is a fantastic facility that can be used by the wider community, whilst ensuring we continue to offer an excellent experience for our members. The Board is working hard with the Harry's View Catering Team to deliver an attractive mix of functions and events throughout the season, as well as breakfast, lunch, dinner and a functions menu that appeals to our broad church of members, visitors and other customers.

On the playing side, it was great to see Craig Howie secure his playing rights on the Challenge Tour after a difficult first year, through his excellent performances over three stages of the European Tour Qualifying School. Craig came agonisingly close to a full Tour card, missing out by just two shots at the final stage in Spain after six gruelling rounds. As ever, Craig received great support from the members through the season and as a Club, we will try and support him as much as we can as he flies the flag for Peebles on the international stage.

His younger brother Darren enjoyed another excellent season at the top end of the amateur game, reaching the semi-finals of the Scottish Amateur Championship, finishing runner-up in the Scottish Golf Men's Order of Merit and representing Scotland in the Men's Home Internationals. Stephen Roger also performed well, just missing out on the Welsh Amateur Open Championship in a play-off, and we are delighted to be supporting both Darren and Stephen with their warm weather training camp to South Africa with the Scotland squad this month. I wish Craig, Darren and Stephen the best of luck for the season ahead and thank them for their hard work in raising the profile of Peebles Golf Club. Our outstanding practice facilities have certainly been well used by this talented trio.

On the domestic front, Jamie Morris produced an outstanding week of golf to win Club Championship number 11, while Sheila Cuthbertson maintained her domination of the Ladies Championship with another impressive final victory. We also saw the emergence of junior champion Kerr Sutherland into the men's ranks with several wins to his name and it's been great to see several junior members' handicaps coming down and coming through the club. Our competitions have been very well supported throughout the season and we now have a very good mix of events, with some fun team competitions spread across the year blended into the more traditional stroke play fixtures. Match and Handicap convenor Mary McIntyre has done a great job and I applaud her continued efforts and hard work, together with her sub-committee.

It was also with great pride that we hosted the Scottish Women's County Finals in September, with some of the country's best female amateurs enjoying their weekend in Peebles (particular thanks to Denise Richards, Val McKean and Diane Keddie for their input to that event).

Our Junior Section remains very strong with 120 members and activity at all levels, from the youngsters taking part in the Sunday ClubGolf coaching, onto Steve Johnston's excellent 18 Steps programme, through to the junior competitions and team matches. A significant amount of work from a small number of people goes into the junior section and I would like to thank our Professional Team and junior volunteers for their ongoing support. With so much competition from other sports in the town, we

need to work harder than ever to make golf attractive to young people and provide a welcoming environment for juniors and their families. Encouragingly, we have more girl members than most clubs in Scotland but retaining girls beyond primary school age is a big challenge. Hopefully the buzz created by the Solheim Cup will help, while we have signed up to Scottish Golf's Girls Golf Hubs programme to try and attract more.

At the other end of the age spectrum, I would like to pay tribute to our TAMS section (Thursday Morning Seniors) who I had the pleasure of presenting to back in July. These guys show that golf really is a sport for life, with a few now into their 90s and still playing golf regularly, while enjoying the camaraderie of a great group of friends. They keep the clubhouse busy in the mornings and also supported the junior section with a donation of £400.

I was proud to play my own part in sponsorship and fundraising through the Odd Shaped Ball, with this year's Golf Day receiving great support from members and their guests with £2,000 raised, in addition to £1,500 from the Ball at Peebles Hydro. I'm grateful to all our sponsors, groups and other individuals who support the club through funding and donations, many who have done so for a number of years. This additional source of revenue is vitally important and hopefully we can find a few more in 2020.

Returning to the theme of change, we deployed a new office structure following the departure of CMS in the early part of the summer, with Alan Frain taking on the role of part-time Secretary, supported by Sarah Waldie and Pam Sherard. The new team has gelled together well and have brought fresh enthusiasm, energy and excellent customer service to the club, picking up the reigns very quickly during a very busy period.

My final thanks go to all the other volunteers at the club who give up their time to contribute, whether through committee, competitions or other roles behind the scenes. It is everyone's club but to preserve it we need more people to play their part – don't just think someone else will do it, or the staff can manage it all. We are a member-led club and the volunteering spirit needs to shine brightly. Many hands make light work, so please, try and do your bit to support the club and promote it where you can.

Ross Duncan
Captain

2. Convenor Summaries

Greens Report

The priority over the past 12 months has been to continue to improve the playability and condition of the greens, tees and bunkers and we have been pleased with the progress made, with positive comments from members and visitors alike throughout the season and into the winter months. Work has taken place with refacing the bunkers on the 3rd, 8th and 16th while efforts have been made to keep the sand levels topped up in response to member feedback.

It was a particularly busy growing season with significantly more cutting to do than the previous summer, but the team endeavoured to keep the rough at a fair length while keeping on top of the greens and fairways. We now have the additional work created by our Driving Range and Academy and we are indebted to Scott Stevenson and Rab Howie for their volunteering efforts in ball collecting – it is great to see the range well used. Other work included the creation of the new buggy park beside the ball dispenser, which has freed up additional spaces in the car park near the clubhouse.

During the off-season this winter, we have built a wooden bridge adjacent to the back tee at the 7th hole and replaced the bridge at the 3rd. A short length of path has been laid on the wet spot to the right of the 2nd tee and fresh blaze will be added to existing paths to freshen them up in the Spring for the start of the new season. Tree work continues and the ties on the young silver birches will be removed where the trees are now well established. The stakes will remain in place meantime to allow players relief - and minimise any damage from play.

On behalf of the greenkeeping team thank you for your cooperation and support and we look forward to having the course in great shape for the start of the new season.

Junior Report

It's been a busy year all round across all levels of the Junior section as we continue to develop our pathway from beginner level through to the junior team. ClubGolf coaching took place every second Sunday from April to October, averaging 40 – 45 children across our P1 – S1 groups, led by our Volunteer Coaches. The standard continued to improve, and we have some very talented young players in our ranks. We also saw some good progress being made from those who advanced to the 18 Steps programme, which was moved to a Wednesday evening, with more technical coaching provided by Steve Johnston, supported by Davie Tait and Fearghas Lowther. A few have now gained their handicap and we saw a slight increase in numbers playing the junior competitions, which took place most Friday afternoons during the season.

Our Junior Open was reinstated and it was good to see decent numbers on the day, despite the rain. Our Junior Team returned to the Edinburgh Junior League where they reached the semi-finals after some good wins in the group stages, only to be beaten by Craigmillar Park. Our thanks go to Kris Hopkirk for his enthusiastic non-playing captain duties. We are hoping to enter the regional Junior GolfSixes league in 2020, aimed at boys and girls without a handicap and we will strive to improve the coaching and playing opportunities for junior golfers in Peebles next season.

Competitions Report

As ever, competitive golf at Peebles remained strong with a large portfolio of competitions on offer for players at all levels and in all categories, from the end of March through to the end of October. We saw strong fields for the majority of competitions and our knock-out match play events were also popular. We increased the number of Open Competitions during the season with most well supported, including full fields for the Gents and Gents Senior opens.

A new midweek 'Race to the Links' series was introduced for the gents on a Wednesday, with the top three players earning an invite to play Gullane No 1 this spring. The schedule was tweaked slightly from the previous season to ensure a better balance of big events across the calendar, and an improved spread of the 'fun' team events which were well supported with positive member feedback, including the new 'Back to Front' event which started on the 10th tee. Unfortunately, the Invitation Day was under-subscribed, and this will be replaced by a Fourball Better-Ball Open next season - please invite a friend to play in this event instead.

June-Anne Clark, as our Club Ambassador for the Solheim Cup, put in a considerable effort in to organising local events ahead of the main event at Gleneagles. We enjoyed matches at home and away with ladies from other clubs and turned our own Ladies v Gents match in to Europe (Ladies) v USA (Gents) event, on the same day that Scotland Rugby Coach Gregor Townsend visited the club with fellow legend Doddie Weir, which attracted great support and fundraising from our members.

Championship Week was well supported by competitors and volunteers and we enjoyed largely good weather with the course in superb condition. It's great to have all categories playing alongside each other throughout the week with a buzzing atmosphere in the clubhouse from Monday to Saturday.

Our Mixed Competitions took place on a Thursday evening during the summer months and although enjoyed by those who take part, our numbers are decreasing, so we welcome any suggestion as to how we can increase participation.

There are big changes coming in 2020 with the introduction of the new Worldwide Handicapping System (WHS) across the globe, although this will not be implemented in Scotland until November 2020. We would encourage all members to keep up-to-speed with the changes via the R&A and Scottish Golf websites and social media channels over the months ahead. Members of our match and handicap sub-committee attended a Scottish Golf workshop in the autumn and will be working hard behind the scenes to ensure the club is fully aligned when the changeover happens, together with the new software that will be launched.

Thanks to everyone who has supported the Match & Handicap Sub-Committee and those who have volunteered to help with duties at our Open Competitions.

Regrettably the Club must report the passing of the following members, past members and former employees:

JK Wells

Kenny was one of the club's great characters and without doubt one of the most talented players in the Peebles Golf Club's history. He won the Club Championship six times, including five times in a row between 1968 and 1972, and was also Borders champion on three occasions. One of his finest victories came in the 1978 South East District Championship, beating some of the country's leading amateur golfers, and was also a two-time winner of the Thorburn Cup. Kenny emigrated to Australia, where he sadly passed away last June after a short illness.

Donalda Wood

Donalda was a popular employee of the club and provided former secretary Hugh Gilmore with invaluable support from the early '90s for more than 16 years. Donalda was also 'Captain's Wife' when husband Colin held the reigns, before going onto support Colin in his various roles as President of the Borders Golf Association, Scottish Golf Union and European Golf Association. Donalda was great supporter of club social events for many years and she will be sadly missed by all.

Harry Morrow

The club was saddened to learn of the recent passing of Harry, a long-standing member of the club, in early January. A Northern Irishman with many a great story to tell, he served on the committee during the mid-90s and having worked in a senior role with Balfour Beatty, donated a trophy in the company's name during the 1980s which is still played for today as the club's annual four-ball match play competition.

All will be sadly missed.

3. Membership Information

As at 30th November 2019 the membership of the Club was as follows:

Full members	2019	2018	2017	2016	2015	2014
Gentlemen	281 ^{*1}	303	325	321	323	278
Gentlemen (OAP)	75	76	72	77	65	68
Ladies	58 ^{*2}	52	52	50	40	37
Ladies (OAP)	14	14	16	20	23	25
Young Adults \ Intermediate	52	65	65	48	33	26
Students	2	2	2	5	3	1
Total	482	512	532	521	487	435
Other Categories						
5-day members	10	12	13	19	23	26
Country	19	17	13	15	13	13
Junior	122	136	116	159	153	114
Non-Playing	36	55	49	50	46	51
Social	39	98	81	87	70	67
Associate	70	74	79	77	80	64
Complimentary	8	7	5	7	7	7
Honorary	7	7	8	7	7	7
Corporate	1	N/A	N/A	N/A	N/A	N/A

*1- includes 2 members on Get in to Golf and 10 members on 18-month deals through to March 2021.

*2- includes 20 members on Get into Golf and 1 member on an 18-month deal through to March 2021.

4. Finance Report: 2019 / 2020 Season

The club reported a deficit of £20,000 for the year ended 30th November 2019. A summary of the financial results is set out below (all numbers £000's):

Year	2019	2018	2017	2016	2015	2014
Subscriptions	242	250	255	237	220	212
Visitor income	57	60	52	57	56	63
Bar income	140	171	173	166	153	158
VAT Refund			111			
Less: Costs- other income	(459)	(484)	(534)	(460)	(429)	(413)
Surplus \ (Deficit) £000	(20)	(3)	57	0	0	20
Net Current Assets £000	57	33	25	116	99	88

The key financial schedules for the year are attached on pages 18 to 19.

We had a difficult start to the season with 33 full members failing to renew their membership. The decline was particularly evident in the Gents category and, overall, our core playing membership reduced by 8%. We also experienced a material decline in our Non-Playing and Social Membership categories reflecting a general dissatisfaction with the catering proposition.

We have worked hard through the year to attract new members and to minimise the income shortfall. Steve Johnson's "Get into Golf" initiative generated 8 new members in 2019. We also had some limited success with our 18-month membership offering in September but overall, we fell short of budget. Like most golf clubs, we are facing off to societal changes and economic challenges that are making it increasingly difficult to sustain and grow our membership numbers. Excluding the junior section of the club, the average age of our playing membership is 58. As a result, we need to remain innovative around our membership offering and we were excited to link up with PlayMoreGolf to launch a new Flexible Membership category in December 2019. This product is aimed specifically at the infrequent golfer, who is not currently a member of a golf club and will help us tap into a segment of the golfing market that has previously been unavailable to us. While we hope Flexible Membership will help to offset the annual attritional loss of an ageing membership, realistically, this will be a difficult trend to reverse, even steady.

Visitor income held up reasonably well reflecting the quality of our course and general facilities, but the level of competition continues to be high. This is a key income stream that we are keen to grow but our ability to attract visiting groups over the weekend is impacted by our busy competition schedule on Saturdays.

Bar income was down 24% against budget. The absence of a viable catering proposition impacted footfall in the clubhouse with members less keen to spend time in the bar post golf. Following a period of in-house catering, which cost the club £5k, we engaged the services of Ani and Francesco in April. Unfortunately, this appointment did not work out with the caterer's capability and aspirations not matching the core needs of the club. We were therefore delighted with the appointment of the Harry's View Catering team in September, with its track record of working successfully within the golfing industry. We have plans to further develop this relationship and drive additional event income, but in the meantime, it is incumbent upon us all to reverse the recent trend by supporting the club's bar and catering services.

Direct and overhead costs were well controlled throughout the year coming in 7% better than budget. This helped to partially offset the 10% shortfall in sales income. Direct costs benefited from the reorganisation of the management and office function in June and whilst the integrity of the clubhouse and course was not compromised, overheads benefited from reduced expenditure on repairs & renewals, course maintenance and leasing costs.

There were no major investments made in the year with the refurbishment of the balcony and the redecoration of the gent's corridor being deferred until 2020. The stock of greenkeeping equipment remains adequate and subject to a schedule of maintenance and renewal.

The lack of capital investment in 2019 enabled the deficit to be absorbed by the cash resources of the club but this is not a position that can be sustained in the long term.

New Member Initiative

We desperately need to attract new members and therefore encourage existing members to introduce family members and friends to our club. To incentivise these efforts, we are refreshing our introductory offer.

From 1st March 2020 a new full adult playing member, intermediate adult member or young adult member introduced by an existing member will pay a fee of £500 (£60 discount), £360 (£35 discount) or £280 (£20 discount), respectively. The introducing member will also get 10% of the fee (i.e. £50 for a full adult member) credited to their club card to set against future subscriptions. Note, the new member can't have been a playing member of PGC at any stage during 2016 - 2018.

Please encourage your family and friends to join – we all benefit from membership of a vibrant growing club.

5. Budget 2020 / 2021 Season

Overview

This section outlines the proposed budget of the club for the 2020-21 season. It is subject to agreement by the members at the AGM.

The Board are forecasting an operating deficit next season of £31k, a deterioration of £11k relative to this season. The key drivers for this increased loss are based on the following key assumptions:

- A continued decline in all membership categories;
- A moderate increase in greenkeeping and bar staff wages;
- Inflationary increases to other overheads, including utilities; and
- Higher repair and maintenance costs, including the cost of new carpets and outdoor furniture

These continued operating losses are not sustainable in the medium to long term. We have over £1 million of capital assets which need to be maintained over an investment cycle including our green keeping machinery and equipment, premises and fixtures and fittings. If we are unable to generate cash from our operations going forward it will be increasingly difficult to maintain the golf course and provide services to our members in line with our existing standards.

The Board recognises that the ability to materially increase Fee Income is generally restricted by an ageing golf population. While we are proposing a small inflationary increase in our subscription rates next season, we are conscious that an increase materially higher than this could have a determinantal impact to membership numbers. And therein lies the problem. We are trying to operate a high quality and high serviced golf club at a relatively low price relative to comparable golf clubs.

Recognising this dilemma, the Board understands the need to substantially increase funds from “non-golf” income in the future, in particular bar revenue. As a result, in 2019, following consultation with the membership, we decided to adopt an ‘Open-Door’ policy, allowing non-members to use our restaurant and catering facilities.

While the impact of this has been small so far, we are working with the Harry's View team to improve the visibility of the club within the town and would like to make our clubhouse a "go-to" venue for parties and other event functions in the future. Until these ambitions begin to materialize however, we have only assumed a modest increase in bar income next season (net of costs). Nevertheless, this strategy could give us a viable route to improving the longer-term economics and financial sustainability of the club. **We need your support though, so please encourage your friends and family to use our clubhouse next season.**

The following sections review income, expenditure and investment in more detail.

Income

- Despite a modest increase in subscription rates, our membership income is forecast to reduce by 2% reflecting a further decline in membership numbers. The budget allows for an 8% reduction in gentlemen members and a 3% reduction across all other playing categories. Prudently, we have assumed minimal net income from the new Flexible Membership category. We have assumed a further reduction in our Social and Non-Playing Members to a combined population of 25. We have no plans to change the structure of the OAP discount.
- In terms of income, the retention and recruitment of members are the key variables and we will be better placed to assess the integrity of the budget post the renewal process in April 2020.
- Bar income is assumed to increase by 12%. As discussed above, with the benefit of a stable catering proposition, we will be seeking to encourage more usage by members and via functions. To encourage increased bar activity, the discount scheme will remain in place with a 10% cash discount for members. In addition, the subscription credit of 10% will remain, subject to a minimum annual bar spend of £300.
- We will continue to offer satellite sports coverage although this will be subject to a future review. At £8,500 p.a., this is a material cost for the club that needs to be justified by increased bar activity.
- We are forecasting a modest increase in visitor fee income. Whilst we will continue to adopt a flexible approach to the pricing for larger visiting groups, from 1st April, the midweek "walk up" visitor fee will increase from £30 to £35. From 1st April the members' guest fee will increase from £10 to £12 with no restriction on the number of guests that a member can introduce.
- We are forecasting steady state income from the rental of the club flat but expect to generate an additional £3,200 from the Harry's View catering franchise.

Overall, at £511,000, the budget assumes a modest 1% increase in income.

Wages & Fees

- These direct costs remain under control, but we are not immune to general inflationary pressures including a further increase in the minimum wage in April 2020.
- The reorganisation of the office resource will save £5,500 p.a. and the team is in the process of taking additional finance work in-house, which will achieve a reduction in our professional fees.
- The total increase in wages & fees of £7,000 reflects a £9,000 investment in our

greenkeeping staff. The team performed exceptionally well in 2019 but was stretched at different points during the year, particularly during the peak growing period. As our primary asset, it is important that we continue to invest in the course and the budget allows for the recruitment of a new apprentice that will increase the core team from three to four.

Overheads

- These are largely fixed costs that remain under scrutiny and tight control.
- We pared back spending in 2019 and reviewed contract terms with our supplier base to ensure best value for money.
- The budget reflects the need to invest more in repairs and renewals across the course and the clubhouse as well as increased marketing activity. We will continue to market the club to potential members and visitors; online methods appear increasingly effective.
- Bar purchases are also forecast to rise to support a commensurate increase in bar sales.
- Our equipment leasing costs reduce by £2,000 in 2020 although they are forecast to increase in future years to support our greenkeeping equipment renewal schedule.

Overall, at £542,00, the budget assumes a 2.5% increase in total costs which is broadly in line with inflation.

Cash / Investments

Adjusting for non-cash items such as depreciation, we anticipate that our cash inflow from operations next season will be £10,000. With forecast capital expenditure next year of £6,500, including a new rotary mower and pedestrian mower, we are forecasting an overall cash inflow of around £2,500.

While it is encouraging that our cash position is expected to improve slightly next season, as noted elsewhere in this report, the club has a substantial asset base to service over an investment cycle. Those investment needs are lumpy; in 2017, we invested substantially in the modernisation of our clubhouse, whereas this season and next season our capital requirements are relatively low. However, in a year where investment / replacement costs are substantial and or if we incur large unexpected costs, our cash balances could fall to levels which the Board is uncomfortable with.

To give us a better line of sight into those future years, we are currently in the process of preparing a 5-10 year investment plan. This will give us a more informed view on the timing of investments, but ultimately our challenge remains the same – we need to generate significantly more cash in future years to facilitate the ongoing investment in the club's infrastructure and facilities.

The table overleaf summarises the budget for 2020 (2019 management accounts figures for comparison).

Summary

- Our financial position remains a challenge with the club remaining in a “loss-making” situation.
- Fees will remain competitive but to enable this without deteriorating our position further, we must significantly grow our non-fee income.
- We will maintain close control over costs and invest in the course and clubhouse as necessary, however the long-term sustainability of this will depend on our ability to substantially improve our operating results.
- The potential exists to do this however it is dependent on a collective effort across the club to recruit new members, attract more visitors and increase clubhouse activity.

Grant Foster
Finance Director

Alan Frain
Secretary

PGC - Detailed Budget for the Year Ended 30 November 2020			
	2019 Actual	2020 Budget	Narrative
Sales			
Members Subscriptions	254,452	249,242	Focus on affordability and growth.
Range income	6,333	7,000	SJ rent plus focus on selling season tickets.
Visitors Green Fees	57,592	59,000	Marketing focus - increase midweek rack rate and guest rate from April.
Buggy Rental	14,473	15,000	Pro focus
Sponsorship	9,340	10,000	Limited scope to increase
Bar Sales	134,552	150,000	New caterer + more functions
Games Machine	1,146	1,000	Fruit machine only
Other Income	13,312	7,750	Bulk is social event income offset by hospitality cost below
Rental - Caterer	705	3,200	£400 p.m. wef from April 2020
Rental - Flat	8,428	8,500	Steady tenancy
Catering Income	7,188		N/A going forward - offset by cost below
Total Income	507,521	510,692	
Wages & Fees			
Wages & Staff Costs - Greens	77,059	86,000	Inflationary increase plus new apprentice.
Wages & Staff Costs - Clubhouse	56,234	59,400	Inflationary increase plus additional event activity.
Wages & Staff Costs - Admin	26,675	36,285	Includes P/T Secretary plus 50 hours per week Admin Staff.
Club management costs	15,201	-	N/A going forward
Professional Retainer	15,882	18,220	Inflationary increase plus timing difference from prior year.
Professional Fees	11,378	10,000	Additional finance work taken in-house
Total Wages & Prof. fees	202,429	209,905	
Gross Surplus / (Deficit)	305,092	300,787	
Overheads			
Course Maintenance & Repairs	11,890	13,000	includes work on greens, bunkers & paths
Rental Expenses	15,494	15,800	Buggy costs including lease.
Range Costs	971	500	Range balls
Bar Purchases	61,196	65,700	% increase in line with bar sales
Games Machines	-	-	
Vehicle Running & Maintenance	12,793	13,500	
Course Leasing	22,309	20,599	Toro Holowtine will be fully repaid during 2020
Rent & Rates	15,490	15,700	Rent fixed with Common Good Fund.
Utilities	20,085	22,000	Increase due to normalisation of gas charges.
Contract Maint & Cleaning	33,475	33,500	£16k relates to cleaning; balance is alarms and other items.
Repairs & Renewals	8,615	13,000	Sundry items including gents corridor and carpet.
Satellite TV	7,070	8,500	BT reinstated
Administration	6,834	7,150	Upgraded phone system
Office Equipment	4,028	4,000	
Marketing & Promotion	1,735	3,000	Targeted spend - new members & visitors
Subscriptions, Licenses etc	2,451	2,500	
Insurance	5,785	6,200	Inflationary increase
Golf Union Levies	9,226	8,000	Based on reduced membership at Nov 19
Competitions	(4,015)	(2,000)	Increase Opens by £2 pp.
Sponsorship Expenditure	988	1,000	Sponsors Day
Entertainment & Hospitality	10,084	6,000	Catering pass through payments - see other income above
Bank & Finance Charges	7,793	8,100	No material change anticipated
Depreciation	39,497	41,000	
Unreclaimable VAT	18,222	20,000	As per calculation
Catering Costs	11,428	2,500	Extractor fan, fridge and dishwasher
Training & Courses	372	500	
Corporation Tax	1,394	2,000	
Total Operating Costs	325,210	331,749	
Net Surplus / (Deficit):	(20,118)	(30,962)	

N.B there are small differences in income and cost headings between the mgt and statutory a/cs.

6. Proposed Subscriptions 2020-21

The following changes to subscriptions are proposed for 2020:

- A £15 increase in subscriptions for full adult playing members; a 2.8% increase for adults; 3.1% for OAP's, maintaining the £65 differential.
- Young adult and Intermediate fees have been increased by c.3%.

Please note all adult playing member fees also include the Scottish Golf affiliation fee of £14.50 and the Border Golfers Association fee of £2.50

The proposed subscriptions are tabled below:

Full Adult	£545 £560	Country	£215 £220
Full Pension	£480 £495	Non-Playing	£45 £30
5 Day	£390 £400	Social	£70 £30
Flexible Membership	£277	Marital Associate	£15 £15
Intermediate Adult (30-35)	£385 £395		
Young Adult (22-29)	£290 £300		
Youth/Student (19-21)	£160 £165	Lockers Adult	£22 £22
Junior (16-18)	£95 £100	Lockers Junior	£6 £6
Junior (12-15)	£65 £70	Buggy Store	£25 £25
Junior <12	£45 £50	Battery Box	£50 £50

2020 New Member Deals – to be announced March 2020

Category	New Member Deal	Introducer Bonus (10%)
Adult Membership	£500	£50
Intermediate	£360	£36
Young Adult	£280	£28

All Introducer bonuses will be credited to members' cards. Applicants who were members in 2016 - 2018 are ineligible for discounted subscription

	2019		2018	
	£	£	£	£
INCOME				
Members subscriptions	247,407		249,665	
Visitors green fees	57,362		59,677	
VAT Refund				
Other direct income	76,916		77,287	
		381,685		386,629
Cost of sales				
Greens /course expenditure	24,663		27,012	
Other direct expenditure	60,840		52,074	
Other staff costs	3,252		3,023	
Green w ages	75,003		84,775	
		163,758		166,884
		217,927		219,745
Bar				
Bar Sales	134,399		171,204	
Less: Bar purchases	61,196		71,525	
<i>Bar gross profit margin 54.4% (2018: 58.2%)</i>				
		73,203		99,680
GROSS SURPLUS		291,130		319,424
Other income				
HMRC refund interest				
Transfer from deferred income				
Deposit account interest	967		712	
Flat rental income	8,427		8,907	
Restaurant rent	705		6,922	
Range income	6,332		7,348	
		16,431		23,889
		307,561		343,314
Expenditure				
Clubhouse w ages	55,721		58,754	
Rent	15,490		15,423	
Rates	10,548		7,587	
Insurances	5,785		5,219	
Heat, light and power	15,477		16,371	
Office equipment maintenance	12,363		10,853	
Repairs and renewals	8,615		17,216	
Professionals retainer	13,833		13,783	
Hire of equipment	29,379		31,512	
Range costs	971		5,004	
Stationery, printing, adverts	6,051		8,389	
Telephone & Postage	2,648		3,199	
Household and cleaning	19,198		17,890	
Secretarial salaries	26,675		8,448	
Training and courses	372		1,585	
Sundry expenses	426		706	
Subscriptions and levies	9,490		7,734	
Irrecoverable VAT	18,222		21,231	
Accountancy	9,488		8,760	
Legal and professional fees	16,827		34,447	
Licences	1,414		1,459	
Flat rental costs			-	
Donations				
		278,993		295,570
OPERATING SURPLUS \ (DEFICIT)		28,568		47,744
Finance costs		(7,794)		(7,847)
Depreciation		(39,497)		(46,937)
Profit on disposal of assets		-		4,000
Corporation tax		(1,394)		(462)
TOTAL SURPLUS \ (DEFICIT)		(20,117)		(3,502)

PGC: Balance Sheet
30th November 2019

	2019	2018
Fixed Assets		
Property, plant and equipment	598,694	670,570
Current Assets		
Inventories	4,198	6,526
Trade and other receivables	8,136	7,407
Cash and cash equivalents	147,641	128,908
	159,975	142,841
Trade and other payables		
Amounts falling due within one year	(102,820)	(103,559)
Net Current Assets	57,155	39,282
Total Assets less Current Liabilities	655,849	709,852
Trade and other payables:		
Amounts falling due after more than one year	(54,412)	(88,296)
Net Assets	601,437	621,556
Reserves		
Retained earnings	442,741	462,860
Other reserves	158,696	158,696
Members' Funds	601,437	621,556