

Proprietary and
Members Clubs
from across the
Home Counties
& London

Golf Club Survey Report 2010



Your first port of call
for personal and
business advice

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The Golf Club Survey Report covers the following key areas within both Proprietary and Members Clubs:

- Turnover
- Driving Ranges
- PGA Professionals
- Playing Members
- Social Members
- Membership Breakdown
- Subscriptions
- Entrance Fees
- Green Fees
- Society Costs
- Society Income
- Bar Revenue & Activity
- Staffing Numbers
- Surplus/Deficit
- VAT Recovery
- Utility Costs
- Growth

Summary: Golf Club Survey Report 2010

Welcome to the 2010 Hillier Hopkins LLP Golf Survey Report for Members Clubs and Proprietary Clubs. Thank you to those that responded to the 2009 survey and for your recommendations for questions to be included this time round.

As last year we have split the results by Club type. The results from Proprietary and Members Clubs have been analysed separately enabling Clubs to compare like for like.

Overall the figures show that Clubs are in a remarkably satisfactory position with results that are better than we anticipated in the current climate. Last year, our reviews at various Clubs indicated that the situation was gradually changing with trends showing that more members are switching from playing to social categories, lower society numbers, shorter waiting lists and lower income from bar and catering activities. Whilst some of this is reflected in this years results it is pleasing to note that some Clubs showed improved performance in the last year. Generally though the trends are for lower numbers of playing members and increased costs.

There is continuing evidence to suggest that the impact of the recession has only slowly been hitting Clubs in London and the Home Counties area and many members have continued to renew their memberships, despite worries regarding job losses and the economy as a whole. The story elsewhere in the country is not as good as more and more Clubs are struggling to maintain member numbers and are increasingly looking to other sources of revenue to try to top up the dwindling subscription income. Sadly sometimes these efforts tend to discourage memberships even more as the Clubs become less exclusive and the cost of playing as a non-member decreases. We still anticipate further deteriorations particularly at subscription renewal time later in this year and into 2011.

Our surveys have received much recognition over the past year and we hope that this one will continue to provide information to the board, to assist in making strategic decisions, for benchmarking purposes, and as a source of information.

We are very grateful to all the Clubs that have taken part in this survey which, without their participation, would not be possible. Thank you for your time and effort in responding to our enquiries. We hope that the survey continues to be of interest and use in your Club activities.

Robert Twydale - Partner

Proprietary Clubs Report 2010

Commentary: The Results

The Club

Out of the 7 Proprietary Clubs that responded, two were 9-hole and five were 18-hole Clubs.

Turnover

The two 9-hole Clubs reported the same turnover level of around £600,000 whilst the 18-hole Clubs reported turnover levels ranging from £300,000 - £1.1 million.

Driving Ranges & Academy Areas

As last year 71% of Clubs that responded reported driving ranges which had generated significant levels of income. Most Clubs have more than enough space to provide this facility and clearly this can be a useful way of increasing income.

Only two Clubs reported having an academy area but again, income levels were not reported.

PGA Professionals

This year all of the Proprietary Clubs had a PGA professional as do most Members Clubs. Some 57% of Proprietary Clubs pay a retainer and provide free premises as part of their package. It is interesting to note that none of the Proprietary Clubs appear to pay commission to their professionals in comparison to 71% of Members Clubs.

There are a number of duties that PGA professionals are expected to perform for their Club including teaching lessons, managing the ProShop and all competition administration. The full list is detailed in the graphs and tables section.

Playing Members

71% of Clubs reported playing numbers within the 100-500 bracket, 14% in the 500-600 bracket, with the balance reporting higher numbers. This is a significant reduction compared to previous years although this change might be affected by the lower number of participants this year. Overall we believe that this does indicate a trend of reducing numbers of playing members. Whilst a number of Clubs suggested that there should be a higher maximum number of players, our view is still that around 600 players is a good target for most Clubs, although this is dependent on the Clubs capacity levels.

Social Members

All bar one of the Clubs reported having social membership but for most, this was less than 25 members with only one reporting higher numbers. It is an established fact that increased social membership is a good way of increasing revenue for all Clubs.

Membership Breakdown

As last year, we asked for a breakdown of membership by age and by playing group. The survey shows that for Proprietary Clubs on average 54% of members are over the age of 50 which is a 6% reduction compared to the previous year. Last year a similar split was also found in Members Clubs but interestingly the percentage has risen in Members Clubs this year by 1%. In the 35-50 age group Proprietary Clubs continue to do better than Members Clubs and these represent the next largest group for Proprietary Clubs being 26% of members. In the Junior age group, classed as members up to the age of 20, this has risen to 10% for Proprietary Clubs which is much closer to Members Clubs (11%) than in 2009. The survey indicates that Proprietary Clubs are more attractive to new younger members (20 – 35) and the 35 - 50 age group than Members Clubs. This may reflect the increasing trend towards "casual golf" which is more easily accessible in Proprietary Clubs.

The number of Gentlemen players remains almost identical between Members Clubs and Proprietary Clubs at 71% of membership. However, this year there are even more Ladies playing in Proprietary Clubs, 21% compared to 17% at Members Clubs. Our experience is that there is starting to be a significant decline in Lady players at Members Clubs which we believe, as last year, is probably because Lady players need to be more flexible with their time and very often the arrangements for play by Lady Members of Proprietary Clubs are much more flexible than in a Members Clubs. Overall, Proprietary Clubs continue to have fewer restrictions on Lady players and this provides a more attractive package for new players.

No Clubs reported having a waiting list compared to one last year and all are open for membership without restriction. This is similar to Members Clubs where only three of those surveyed reported they still had a waiting list.

Subscriptions

Membership fees for Standard Playing Members varied from £500 up to £1,250 with the majority of Proprietary Clubs averaging out at around £900, which remains highly competitive. For the Clubs that reported Social Membership fees were between £50 – £150.

Entrance Fees

Out of the Proprietary Clubs surveyed only one of the Clubs continues to currently have an entrance fee. One Club indicated that they would like to introduce an entry fee but felt that this was not practical in the current economic climate. The main factors that would impact on the entry fees were highlighted as competition, the costs of course maintenance, membership levels and market levels, rather than age, demand or location.

Green Fees

Proprietary Clubs are in the main charging slightly less for their green fees than Members Clubs and if anything the rates have dropped compared to last year. It was interesting to note that many of the Proprietary Clubs were still achieving over £140,000 in income from green fees, whereas one was achieving less than £40,000. The average appears to have dropped slightly to be around £100,000 for most Proprietary Clubs.

Society Costs

Society costs now appear to be significantly cheaper in Proprietary Clubs than they are in Members Clubs which is what we anticipated might happen given the current climate. This does not seem to have had a significant impact on Members Clubs and we would recommend that Proprietary Clubs should try to avoid discounting as the effect of this is to just reduce income.

Society Income

Society income for Proprietary Clubs is down in comparison to previous years with most Clubs showing reductions in income. Not one Club reported income in excess of £100,000 this year which again reflects a general downward trend.

Bar Revenue and Activity

As in previous surveys, this showed wide variations but we can continue to see a correlation between society usage and the number of members and social members in the income levels generated by the bar. Proprietary Clubs seem to perform slightly better than Members Clubs in this area and our own experience has shown that they continue to recognise the importance of bar usage as an income stream and offer less discounts.

In the survey 43% of Clubs reported income levels ranging from £100,000 - £150,000 from the bar during the year. In our experience it is likely to be uneconomical to run a bar for much less than £100,000 turnover, bearing in mind the cost of staffing but there were 29% of Clubs reporting incomes of £50,000 - £100,000 and one Club less than £50,000. Overall there appears to be a trend of falling income.

Some Clubs have achieved gross margins of around 65% in the current year showing they have clearly sought to try and generate additional income from this source. It is disappointing to note that there are still some Members Clubs where the margins are less than 50%.

Staffing Numbers

As in previous surveys, these seem to vary significantly. Other than the relative size of the Clubs there does not appear to be any specific correlation between the numbers of staff being higher or lower between Proprietary and Members Clubs. Very often Members Clubs seem to have less administration staff but this is perhaps an indication that there is some level of input from members in those Clubs. We have seen some reductions in the current survey and this does, we believe, reflect the need to reduce costs following on from the income reductions above.

Surplus/Deficit

In Proprietary Clubs, the highest surplus figure was £156,000 with a highest deficit of £6,355. These Clubs seem to have got their costs under control very quickly this year but the results are still far from encouraging.

Annual General Insurance Costs

42% of Clubs that provided figures indicated that costs were under £5,000 per annum.

VAT Recovery

We raised the question regarding VAT recovery rates and five Clubs reported from the Proprietary sector. This was a surprise as this question was directed mainly at Members Clubs. In most cases we would anticipate recovery of 100% for nearly all Proprietary Clubs and were therefore surprised to see that two Clubs continue to report a recovery of only 15-30%. These levels are a clear indication that a review is necessary at these Clubs. The situation for Members Clubs was also widely differing, possibly reflecting the different spread of income for those Clubs. However, the percentage recoveries continue, in some cases, to be significantly worse than anticipated.

Utility and Other Costs

You will see from the graphs and tables of results that costs for the different utilities vary dramatically. A lot of these differences will vary based on the size of the Clubs and facilities but clearly there is some discrepancy here which needs considering by Clubs.

Growth

To our surprise our survey shows that 57% of Clubs believe they are still growing, with the remainder standing still and none reducing. All of them are continuing to carry out substantial marketing activities to try and encourage new members and all of them are investing funds in these. The top three marketing activities were advertising (71%), special offers (71%), and networking (57%). Most Clubs are continuing to invest in the course as much as they are in any other activity, which we firmly believe is the correct place for expenditure to be directed.

Proprietary Clubs: Graphs & Tables

7 Proprietary Clubs took part in the 2010 Golf Survey. The results from these Proprietary Clubs only are detailed below.

N.B Not all of the 7 Clubs provided answers to all questions.

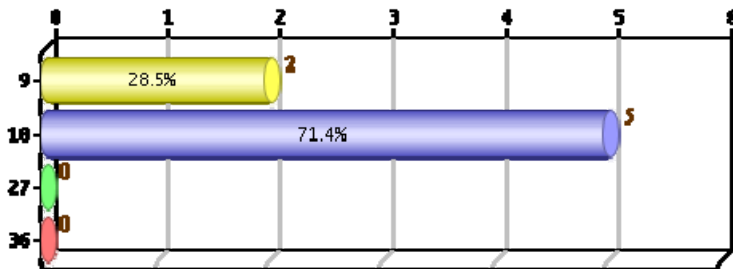
THE CLUB

Total turnover for the Club (£):
£300,000
£375,000
£575,000
£645,000
£700,000
£944,500
£1,100,000

Number of holes
18
18
9
9
18
18
18

Total number of rounds played annually
24,000
32,000
-
36,000
29,000
45,000
40,000

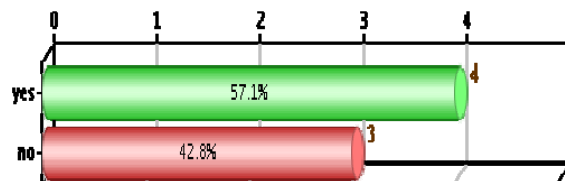
Number of holes on course



Driving range income

Level of income from the driving range (£):
2,000
6,000
15,000
25,000

How many Clubs have driving ranges

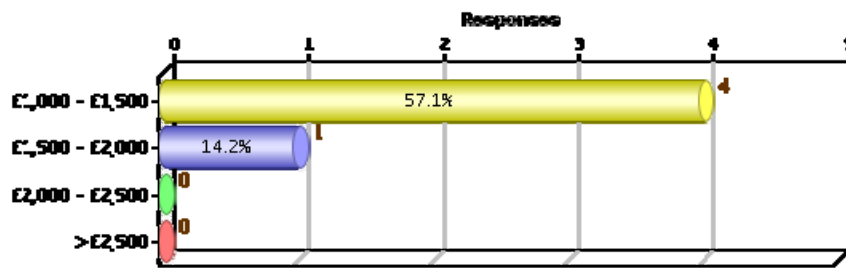


Academy Area

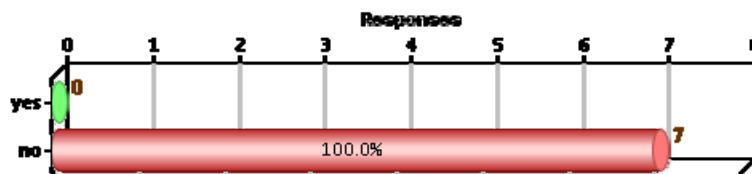
2 Clubs reported having an academy area but neither provided income figures.

PGA Professionals

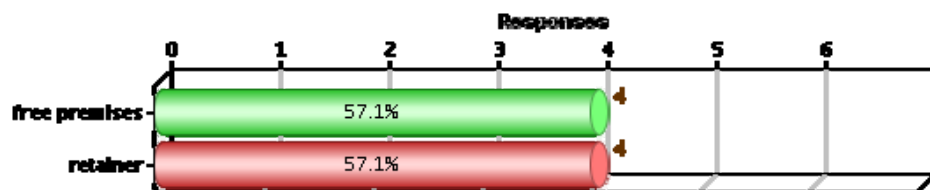
Level of professional retainer



Pay commission



Remuneration for the PGA Professional

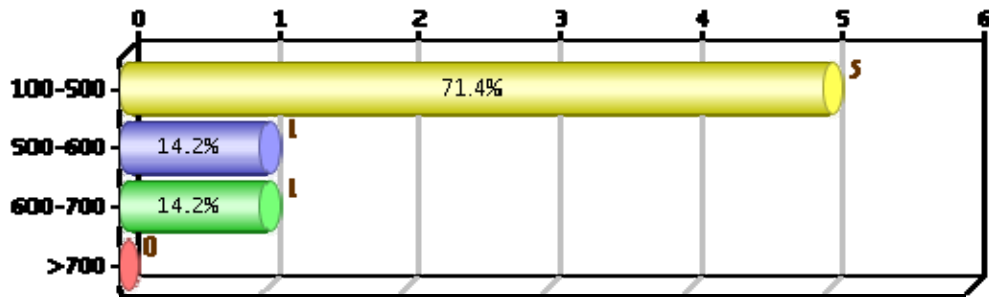


Duties the PGA Professional are expected to perform for the Club as reported by respondents.

- We now employ our Pro as golf manager. He has his lessons (less 5% commission), but we also pay him 5% commission on shop sales. He runs all competitions and organises societies and is responsible for the start sheet.
- Provide tuition/teaching lessons.
- Manage ProShop.
- First Point of Contact (Information / Membership Enquiries etc.)
- Collect Green Fees and Course Control.
- Take bookings.
- Minimum 20hours week in shop - shop stocking in conjunction with management.
- Advising on, and selling equipment, on commission.
- Running group lessons for ladies and juniors.
- Management of retail shop and head professional.
- Promote Academy for Juniors & beginners.
- Manage the 1st tee.
- Sell buggies.
- All Competition Administration.
- Attends H&C Committee I/C Driving Range.

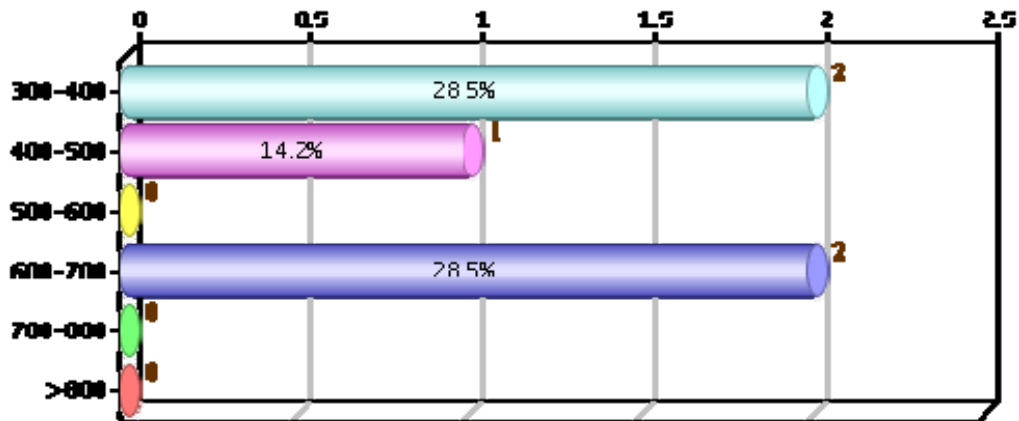
MEMBERSHIP

Number of PLAYING members

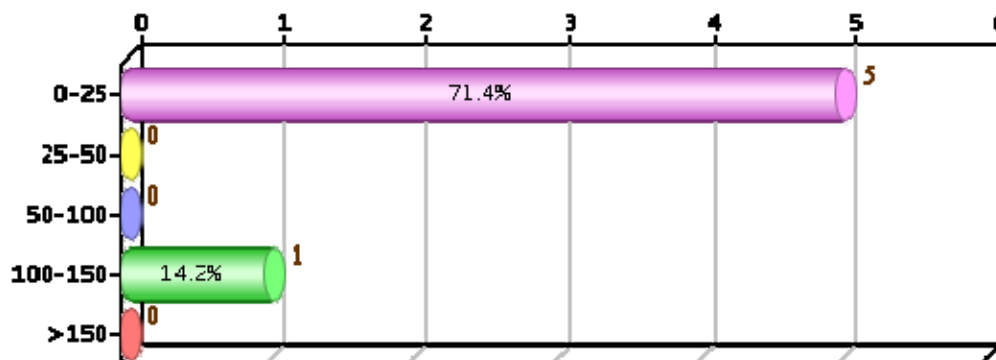


Recommended LIMITS of Playing members

5 out of the 7 responding Clubs agreed on having a maximum limit of playing members. Levels suggested and number of Clubs choosing that level are shown below.



Number of SOCIAL members



MEMBERSHIP BREAKDOWN

No. of members in AGE BRACKETS

TOTAL members per Club	Age Brackets			
	Up to 20	20-35	35-50	50+
280	30	50	70	130
325	25	40	185	75
350	20	30	100	200
375	25	30	120	200
420	50	20	100	250
600	100	100	150	250
600	33	19	52	498
% of members	10%	10%	26%	54%

TOTAL members per Club	Player Groups		
	Gents	Ladies	Juniors
280	220	35	25
325	252	52	21
350	250	80	20
375	250	100	25
420	350	24	40
600	400	100	100
600	362	222	18
% of members	71%	21%	8%

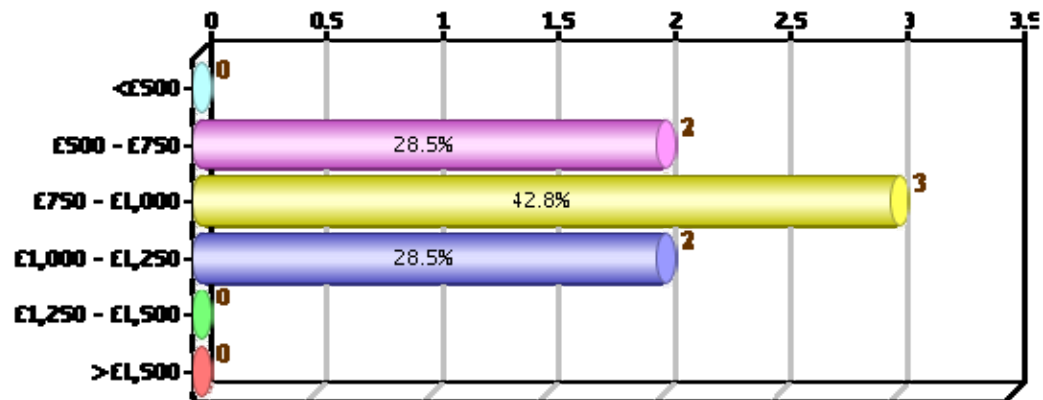
Waiting Lists

No Clubs currently have a waiting list.

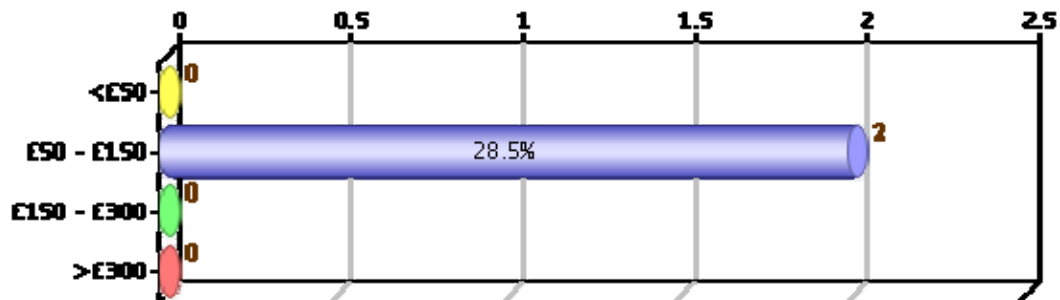
SUBSCRIPTIONS

Levels of Subscription for:

Standard Playing Members



Social Members



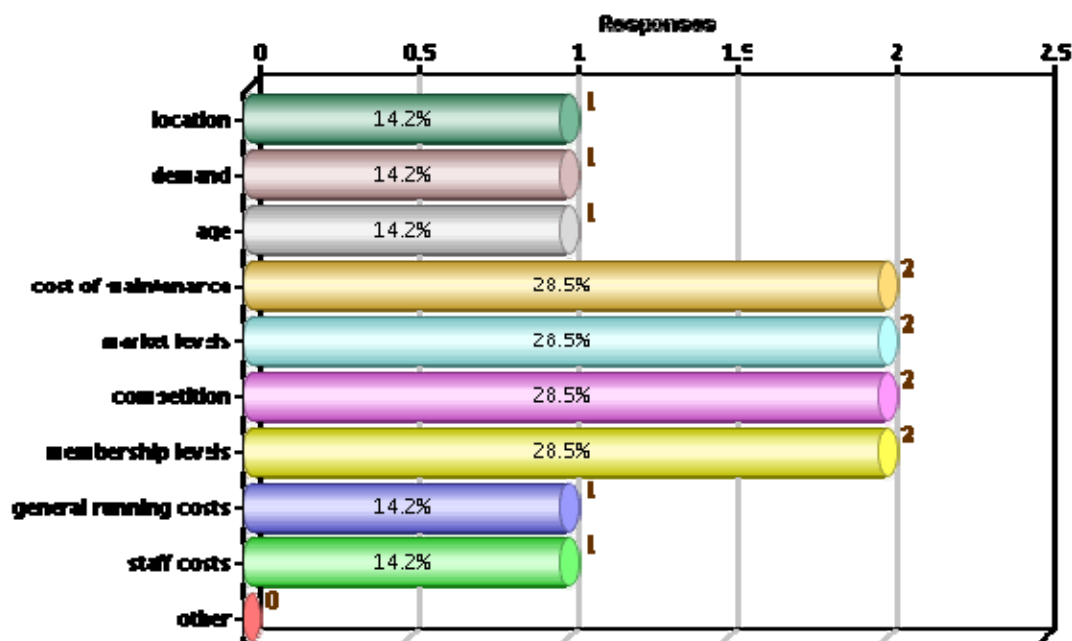
JOINING ENTRY FEES

1 Club charges an entry fee but did not state reasons for this.

1 Club would like to introduce a joining fee but they stated "It is bad enough to extract a subscription at present even though we have spent substantial sums in the last few years improving facilities.

1 Club was thinking of introducing an entry fee and show a joining fee but currently don't charge one. If they pick up a few more members they may charge one again.

Factors that do/would impact on the entry fee



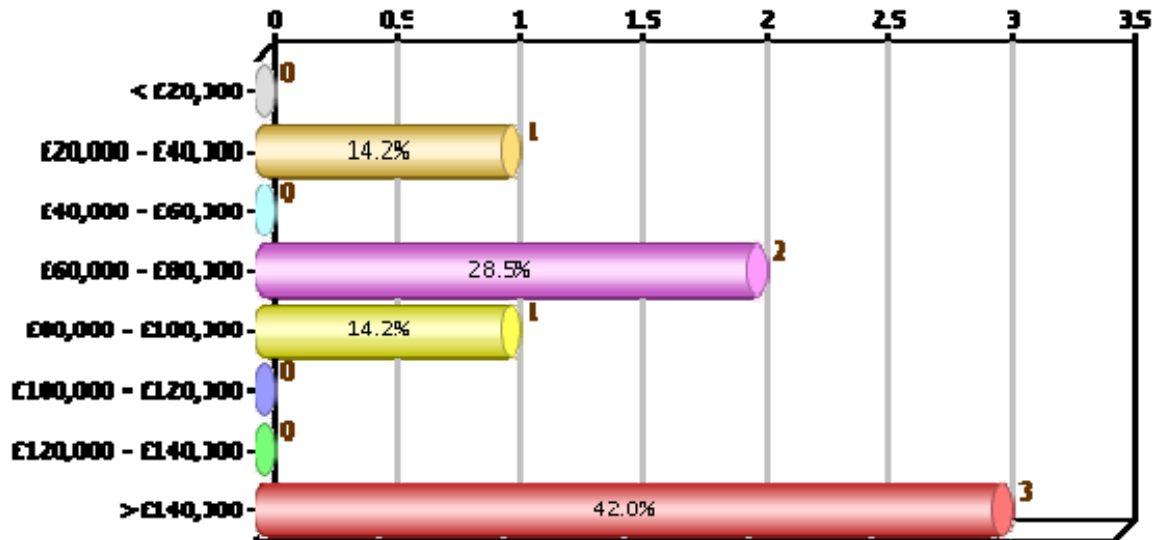
GREEN FEES

Green fees charges both with and without a member (£)

Weekdays WITH	Weekdays WITHOUT	Weekend WITH	Weekend WITHOUT	All Day WITH	All Day WITHOUT
£18	£22	£22	£28	-	-
£18	£28	£25	£39	N/A	N/A
£10 – 9 holes £16 – 18 holes	£15 – 9 holes £22 – 18 holes	£14 – 9 holes £20 – 18 holes	£16 – 9 holes £25 – 18 holes	-	-
£9 – 9 holes £15 – 18 holes	£10 – 9 holes £18 – 18 holes	£11 – 9 holes £19 – 18 holes	£12.50 – 9 holes £22 – 18 holes	N/A	-
£16	£20 (offer available)	£19	£23 (offer available)	N/A	N/A
£16	£27	£19	£36	N/A	£45
£20	£30	£22.50	£35	-	-

Range your green fees fall into: 1 response - £20-£30

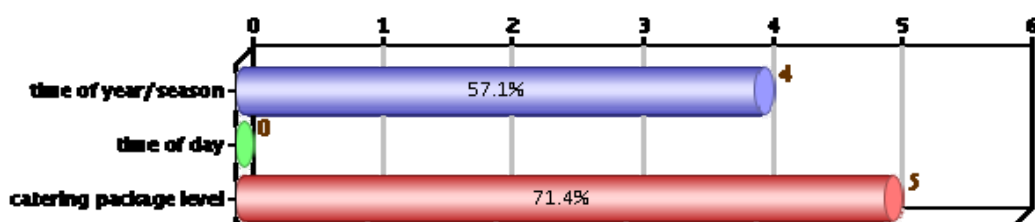
Levels of INCOME from green fees per annum



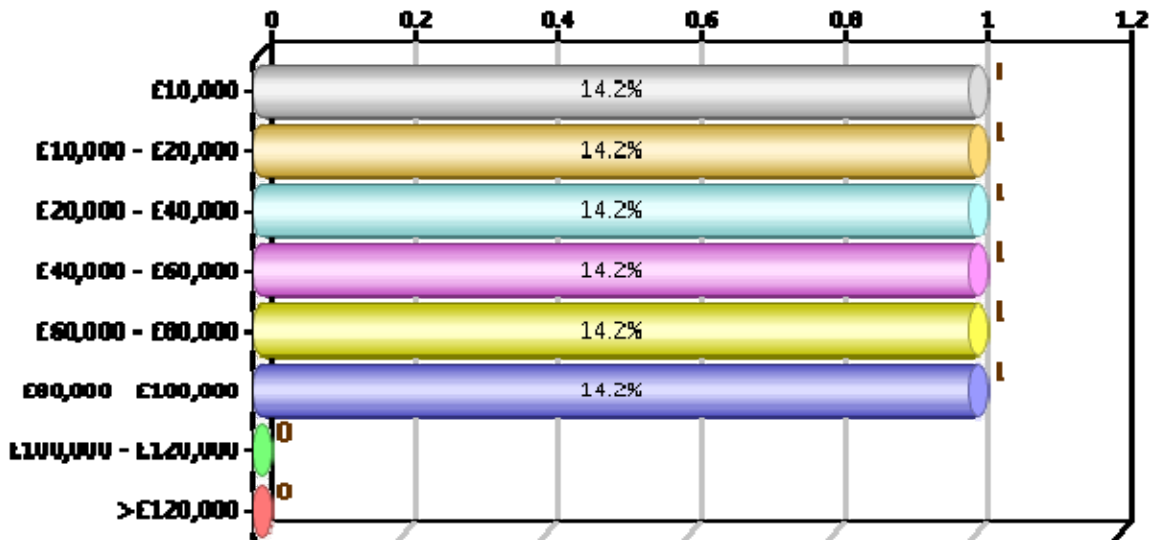
SOCIETY RATES

9-hole packages	18-hole packages	27-hole packages	36-hole packages	Other Packages
£20 (with a snack)	£25 - £38	-	-	-
-	£35	-	-	-
-	-	-	-	-
£12+	£20+	-	-	-
N/A	£28 - £38 (subject to catering)	£37 - £55	N/A	-
-	£33	£42	-	-
-	-	-	-	<p>1 Apr -31 Oct: coffee & bacon roll, 18 holes, 1 course lunch/dinner £38. Coffee & bacon roll, 18 holes 3 course dinner £46. Coffee & bacon roll, 27 holes, 1 course lunch, 3 course dinner £64. Coffee & bacon roll, 36 holes, 1 course lunch, 3 course dinner £74.</p> <p>1 Nov-31 Mar: Coffee, 18 holes, 1 course lunch/dinner £32. Coffee & bacon roll, 18 holes, 1 course lunch/dinner £34.75. Coffee, 27 holes, 1 course lunch, 2 course dinner £50.50. Coffee & bacon roll, 27 holes, 1 course lunch, 2 course dinner £53.25</p>

Factors that impact on the PACKAGES offered by Clubs



How much Clubs earn from SOCIETY usage



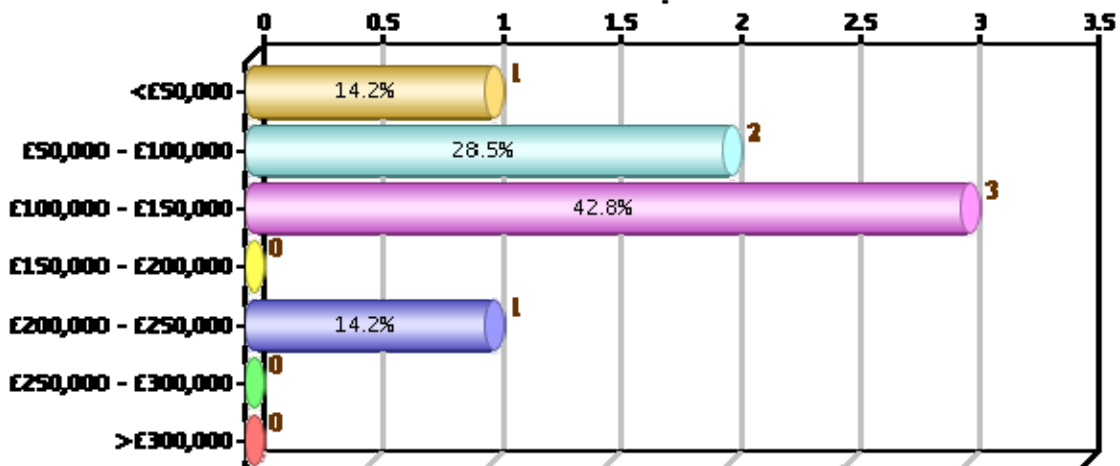
FACILITIES

Room/Facilities Hire: Policies operated by the Clubs

Members only cost	Members or member sponsored events cost	Non-members cost	Using a price per head cost system (£ per/head)	Franchise catering cost
£100	Nil – only marginal catering profit	£200	-	-
£0	0	£250-£500	£39	No
-	-	-	-	-
-	-	-	£5+	-
£0	0	£250 lunch £250 dinner	Per Head	N/A
-	£300	-	-	-
No room hire F & B Costs only	-	F & B Costs plus £250 Room Hire	-	-

Bar Revenue & Activity

Annual amount of revenue from bar usage



Gross Margin on bar activity	Net Profit Margin	Rateable Value	Rate Cost
55%	Breakeven if lucky	£62,500	£26,450
60	-	-	-
40%	Loss	£38,000	£14,000
40%+	-	-	-
65%	£60,000 (contribution to fixed cost)	£55,500	£24,100 (2010/11)
£69,000	-	-	-
£89,575	£25,000	£47,000	£35,000

The Club House

Club Maintenance costs – 4 responses		Wages levels for Club house staff - 5 responses
1. £25,000		1. £95,000
2. £10,000 pa		2. 55%
3. £150,000 inc GKP		3. £40,000
4. £37,000		4. £285,000 inc GKP
		5. £130,000

Catering Revenue

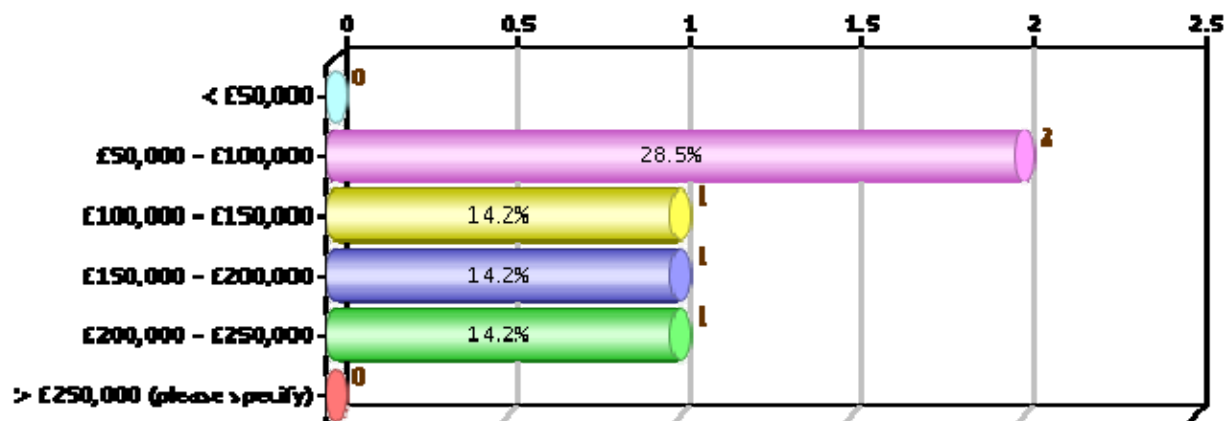
Franchise Caterers

Out of the 7 Clubs that responded to the question, only 1 had Franchise caterers.

Profit Margin on Catering

1. Break even
2. 62%
3. 40%+
4. 22% (contribution to fixed costs)
5. 67%
6. 68.1%

Level of Revenue from Own Catering



Staffing Numbers

BAR STAFF		
Full Time	Part Time	Casual
1	1	-
4	6	-
1	3	-
-	1	1
5 inc chefs	3	3
2	-	4
3	4	-

CATERING STAFF		
Full Time	Part Time	Casual
2	-	-
2	3	-
1	2	-
2	1	1
3	3	3
2	-	-
2	-	1

GOLF COURSE STAFF		
Full Time	Part Time	Casual
3	1	-
6	-	-
4	-	-
3	-	-
5	-	-
6	-	-
5	1	-

ADMINISTRATION STAFF		
Full Time	Part Time	Casual
2	-	-
1	-	-
1	1	-
1	-	-
1	1	-
1	-	-
1	3	-

HOUSE STAFF/CLEANERS		
Full Time	Part Time	Casual
Contract cleaner	-	-
1	-	-
-	1	-
-	-	1
-	-	-
-	-	-
-	2	-

Utility Costs

Electricity Costs	Gas Costs	Water Costs
£18,000	£2000 calor	£2,000
£24,000	£24,000	£6,000
£5,000	£5,000	£400
£6,000	-	£1,000
£17,000 inc VAT	£6,000 inc VAT	£4,000
£23,000	£7,000	£2,700
£17,500	£6,750	£3,500

Course Maintenance & Wages

Course maintenance costs (Excl. Depreciation & Wages)
£20,000 roughly – difficult to properly Quantify as we have many ongoing Projects.
£20,000
£30,000
£35,000
£47,000
£50,000
£70,000

Course wages costs
£65,000 course & Clubhouse
£75,000
£90,000
£95,000
£105,000
£110,000
£135,000

GENERAL

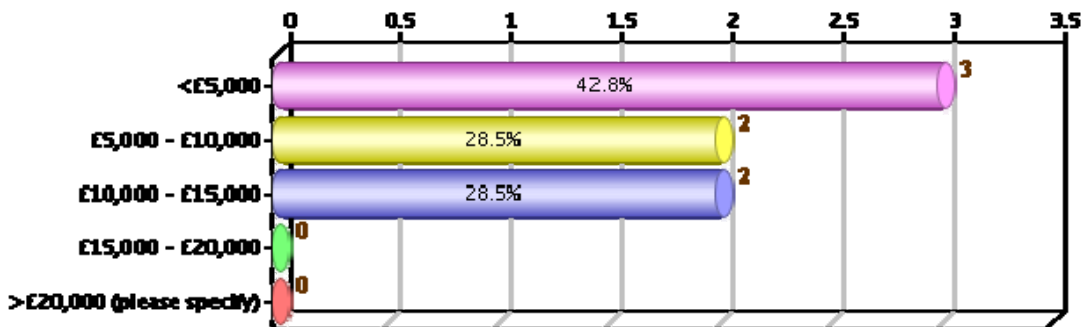
Annual Surplus/Deficit

Surplus (£)	Deficit (-£)	Breakeven (£)
-	£6,355	-
-	-	-
£5,000	-	-
£80,000	-	-
-	-	Yes
-	-	-
£156,000	-	-

VAT Recovery Percentage

5 clubs reported on their VAT recovery rates.
 1 club reported a recovery rate of <15%.
 1 club reported 15-30%.
 3 clubs reported 30-45%.

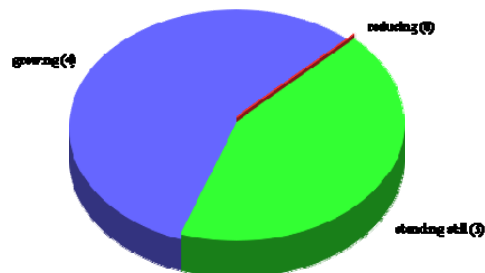
Annual GENERAL INSURANCE costs



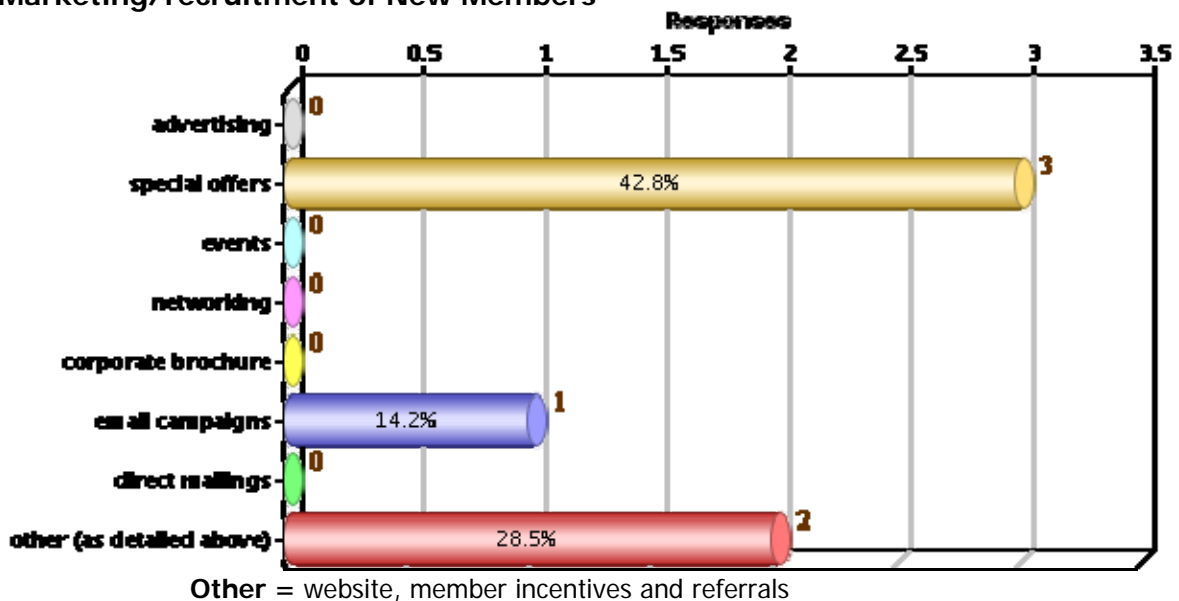
BUSINESS DEVELOPMENT

Business Position at Present Members

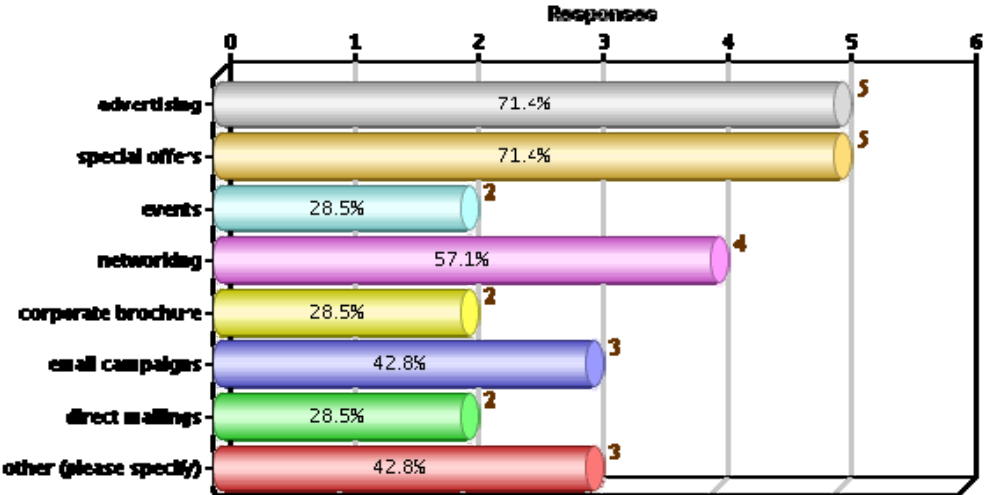
- BLUE** = Growing (4)
- RED** = Reducing (0)
- GREEN** = Standing Still (3)



Marketing/recruitment of New Members

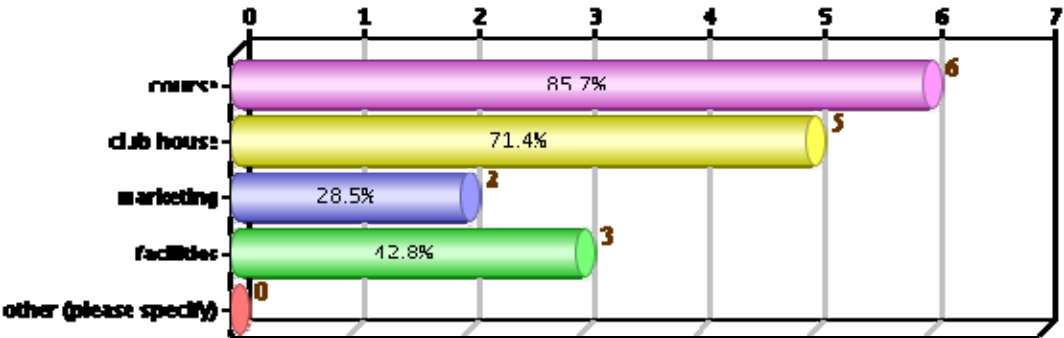


Most successful marketing activity



Other = website and referrals

Areas where Clubs are looking to invest



2 for 1 Schemes used?

Of the 7 responses, 4 Clubs operate 2 for 1 schemes. Of the 4 responses, 1 Club said they possibly receive a 5% extra income from the scheme but if everyone stopped offering this option we would all be better off. Another Club said that it costs them to offer this incentive.

Members Clubs Report 2010

Commentary: The Results

The Club

Out of the 25 Members Clubs that responded, 23 were 18-hole, one was 27-hole and one was a 36-hole Club.

Turnover

The 18-hole Clubs reported turnovers from £635,000 to £1.5 million. The 27-hole Club achieved a turnover of £700,000 and the 36-hole Club achieved a turnover of £3.85 million.

Driving Ranges & Academy Areas

Only five Clubs reported having a driving range and of these only two reported any income, £3,500 and £10,000. Most Clubs have more than enough space to provide this facility and clearly this can be a useful way of increasing income. In some Proprietary Clubs, income from this source is reported at £25,000 per annum.

Only five Clubs reported having an Academy Area, with all reporting that they received no income from the area. Most continue to feel that this forms part of the benefits of membership and, in a time when attracting new members is challenging, is regarded as a significant extra attraction to new members.

PGA Professionals

Most Clubs have a PGA Professional with 65% indicating a retainer level of over £2,000 per month. This represents a significant reduction when compared to previous results and was a surprise as there has been little evidence of any reduction in Clubs visited during the year. In addition, only 56% include free premises and a retainer as part of their Professional's remuneration package.

Of the Clubs surveyed, 69.5% pay commission to their professionals compared to none of the Proprietary Clubs. In addition, the percentage commission paid by Members Clubs varies widely with some paying as low as 5% but one paying 12%. This may, as we speculated, reflect additional services that are expected from the Professional in Members Clubs, as shown in the survey, but it is still surprising.

The PGA Professionals are expected to perform a number of duties for their Club, including coaching, running competitions, ProShop management and green fee collection. A complete list is detailed in the results and graphs section.

Playing Members

39% of Clubs reported playing numbers within the 500-700 bracket. Again this year in contrast with Proprietary Clubs, only 34% of Members Clubs have 100-500 playing members compared to 71% of Proprietary Clubs. Unlike Proprietary Clubs no particular fall off of members was reported.

This year 91% of the responding Clubs agreed on having a maximum limit of playing members. Of those responding, over 65% recommended 600 or greater as the maximum limit with a further 17% recommending 500-600 as the maximum. Our view continues to be that around 600 players is a good target for an 18-hole Club.

Social Members

All of the Clubs reported having social membership, although 26% had less than 50 members compared to 4% who had over 150. 48% reported 50-100 and 22% reported 100-150 social members. These numbers have increased in most cases and we continue to recommend that encouraging social membership is a good way of increasing revenue for all Clubs.

Membership Breakdown

In the survey we asked for a breakdown of membership by age and by playing group. The survey has revealed that for most Members Clubs more than 61% of members are still over the age of 50. This percentage had decreased significantly in Proprietary Clubs and as this was an area that many Members Clubs were targeting to try to reduce, the results are somewhat disappointing. Clearly efforts to attract younger players to Members Clubs are so far not having much impact on the overall age profile. In the Junior group, classed as members up to the age of 20, it is Members Clubs that still do better with 11%, compared to 10% at Proprietary Clubs but they are catching up.

The number of Gentlemen players is almost identical between Members Clubs and Proprietary Clubs at 72% of membership, however there continues to be more Ladies playing in Proprietary Clubs with 21%, compared to 17% at Members Clubs. Our experience is that there is starting to be a significant decline in Lady players at Members Clubs which we believe is probably because Lady players need to be more flexible with their time and very often the arrangements for play by Lady Members of Proprietary Clubs are much more flexible than in a Members Clubs. In addition, Proprietary Clubs still tend to have less other restrictions for Lady Members and therefore this provides them with a more attractive membership package than perhaps is offered by Members Clubs.

Only three Clubs reported having a waiting list compared to nine last year and in general many Clubs are open for membership without restriction. This is similar to Proprietary Clubs where none of those surveyed reported they still had a waiting list. For most Clubs the waiting time that members spend on the list has shrunk significantly over recent years to 1-2 months or less in most cases. There was only one Members Club who reported a waiting time of longer than one year.

Subscriptions

Membership fees varied from £500 up to over £1,500 with the majority of Members Clubs averaging out at around £1,150, which is a further increase when compared to previous surveys. 55% of responding Clubs reported subscription levels between £750 and £1,250 compared to 60% last year.

Social subscriptions average at around £100 with 61% reporting a subscription of £50-£150.

Entrance Fees

Out of the Members Clubs surveyed 78% still currently have an entrance fee with 52% having a fixed fee rather than one based on age or subscription rates. It is again surprising that only four Clubs have linked the level of their fee to the age of their membership which, as shown in the membership statistics, is a problem area for most Clubs. All of the Clubs that currently do not have an entrance fee have again indicated that they were not thinking of introducing one.

Clubs with an entrance fee considered the main benefit to be the promotion of loyalty and commitment to the Club.

Using the list of options given in the survey, the Members Clubs indicated that the top factors impacting on entry fees are demand, location, membership levels, and age being regarded as the most important. In previous surveys, age has been the least important so clearly Clubs are starting to focus more on their age profile for the future.

Green Fees

Members Clubs all tend to be charging more for their green fees than Proprietary Clubs and the differential seems to have increased this year. It was interesting to note that income from Green fees remains very variable across all Clubs with some earning less than £40,000 and others over £140,000 with the majority in the £40,000 - £80,000 range.

In general, income seems to be lower at Members Clubs which may reflect the higher prices and that often green fees in Members Clubs tend to be from invited guests rather than pay and play arrangements. Members Clubs appear to be continuing to actively discourage non-member usage other than by societies through their pricing policies. Whilst we believe that maintaining exclusivity is essential for Members Clubs this should not be at the expense of easy income.

Society Costs

Society costs appear to be somewhat cheaper in Proprietary Clubs than they are in Members Clubs which is what we anticipated. Both the level of catering and the time of year/season continue to have equal impact on packages offered by Clubs.

Society Income

For Members Clubs this is flat in comparison to previous years and this is what was anticipated with all Clubs income being at a similar level.

Bar Revenue and Activity

This shows wide variations but we can continue to see a correlation between society usage and the number of members and social members in the level of income generated by the bar. Proprietary Clubs seem to have performed on a par with Members Clubs this year and we believe that Members Clubs have tried to improve performance in this area since our last survey, although only 65% of those that responded achieved bar income in the range from £100,000 - £200,000 during the year compared to 80% in the previous survey but 15% were over £200,000. In our experience it is unlikely to be economical to run a bar much less than £100,000 turnover, bearing in mind the cost of staffing.

Some Clubs have seen their gross margins at 65% in the current year showing that they have clearly sought to try and generate additional income from this source. It is interesting to note that in some Proprietary Clubs margins had deteriorated.

Staffing Numbers

As in previous surveys, these seem to vary dramatically. Other than the relative size of the Clubs there does not appear to be any specific correlation between the numbers of staff being higher or lower between Proprietary and Members Clubs. Very often Members Clubs seem to have less administration staff but this is perhaps an indication that there is some level of input from members in those Clubs.

Surplus/Deficit

In Members Clubs almost all had moved into surplus which is very encouraging and is largely down to cost savings and more realistic subscription levels. The highest surplus was just over £99,000 with only one Club reporting a deficit of £9,000. In line with recommendations of previous surveys, it is our view that Clubs really need to make surpluses in excess of £30,000 per annum to provide sufficient funds for course and House maintenance.

Annual General Insurance Costs

48% of Members Clubs indicated that costs were £5,000 - £10,000 per annum.

VAT Recovery

We raised the question regarding VAT recovery rates and there was wide variation in the results. This would only partially be explained by differing income arrangements in the various Clubs. In most cases we would anticipate recovery of 40%+ and therefore were surprised to see that some Clubs are still reporting a recovery of less than 30%. We would again recommend a detailed review for any Clubs in this position. 52% reported a recovery rate of 30-45% with 30% recovering 45-60%.

Growth

Our survey shows that 25% of Clubs believe they are still growing, with 71% standing still and 4% reducing. This is in contrast to Proprietary Clubs where the majority believe they are growing. Whilst most Clubs are carrying out some marketing activities to try and encourage new members and all of them are investing funds in these, perhaps more effort is required here. The top marketing activities continues to be networking (65%), advertising (30%) and special offers (35%).

It is pleasing to note that following our previous surveys 91% of Clubs are now looking to invest in the course more than they are in any other activity, which we believe is the correct place for expenditure to be directed.

Members Clubs: Graphs & Tables

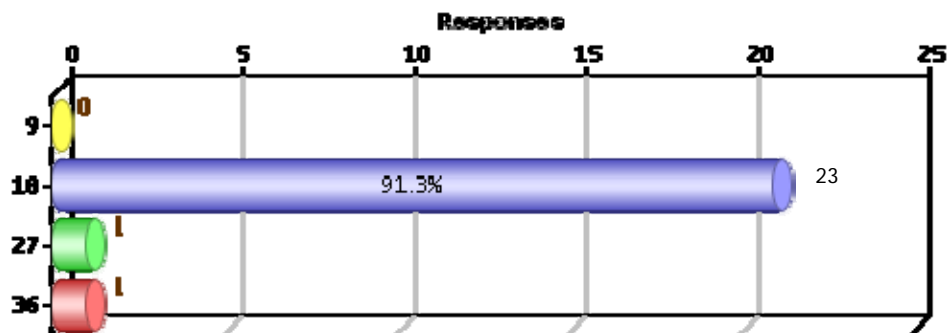
25 Member Clubs took part in the 2010 Golf Survey. The results from these Member Clubs only are detailed below.

N.B Not all of the 25 Clubs provided answers to all questions.

THE CLUB

Total turnover for the Club (£):	Number of holes	Total number of rounds played annually
£635,000	18	-
£700,000	18	32,000
£700,000	18	-
£700,000	27	Not known
£704,931	18	30,000
£730,000	18	40,000
£755,778	18	25,000
£765,000	18	-
£800,000	18	?
£838,000	18	25,000
£920,000	18	Statistics not collected
£1,000,000	18	20,000
£1,000,000	18	Estimate circa 35-40,000
£1,000,000	18	27,000
£1,000,000	18	-
£1,000,000	18	15,000
£1,062,000	18	n/a
£1,090,000	18	Not known
£1,200,000	18	-
£1,200,000	18	Not sure
£1,200,000	18	25,000
£1,200,000	18	45,000
£1,376,000	18	-
£1,500,000	18	40,000
£3,850,000	36	4600
-	18	

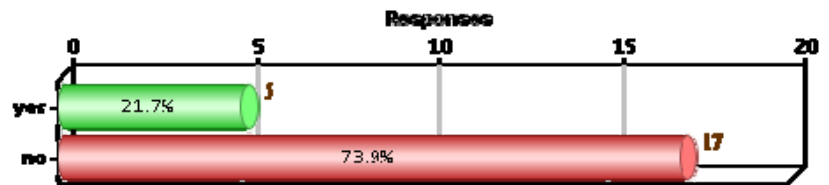
Number of Holes on Course



Driving Range Income

Level of income from the driving range (£):
Only 5 Clubs provided figures for income from the driving range:
1. £3,500
2. £10,000
3. Nil – free to members & visitors
4. Nil
5. Nil

How many Clubs have driving ranges:



Academy Area Income

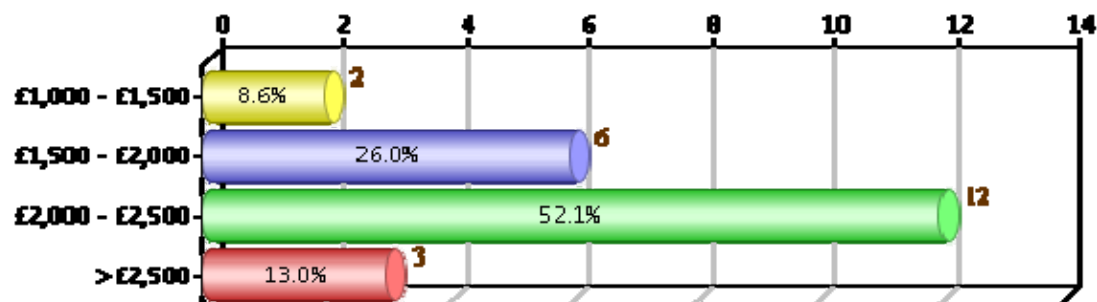
Level of income from academy area (£):
Nil – promotional only
Nil
Nil
Nil
Minimal

How many Clubs have academy areas?

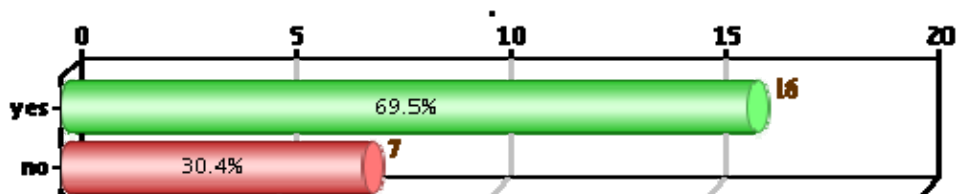


PGA Professionals

Level of Professional retainer



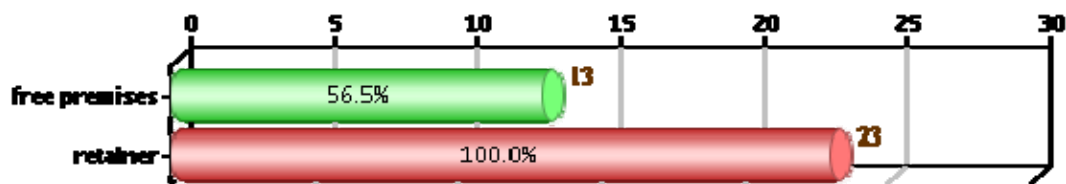
Pay commission on green fees



Percentage (%) paid as commission on Green Fees

% Paid as Commission on Green Fees	
5%	5
7.5%	2
8%	1
10%	8
12%	1

Remuneration for the PGA Professional

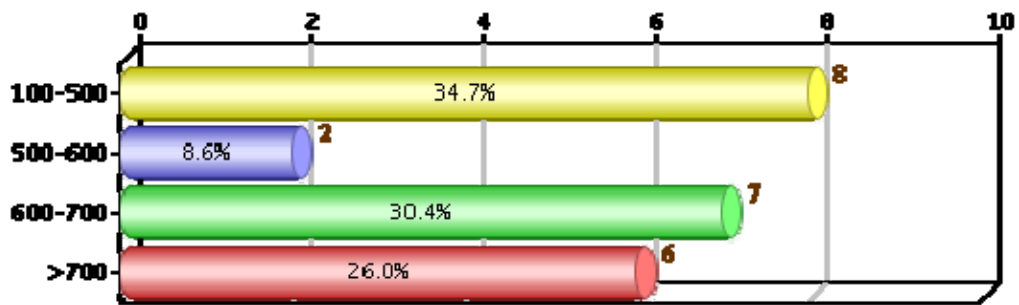


Duties the PGA Professional are expected to perform for the Club as reported by respondents.

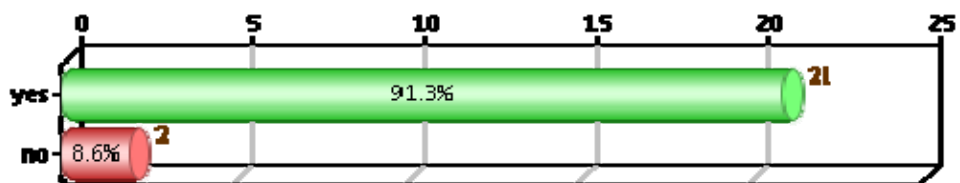
- Aid in competition details. Provide coaching for cadets and juniors.
- Golf operations.
- Outside of PGA & Shop duties, Pro is asked to manage buggy fleet and assists with basic competition administration.
- Organise and run competitions. Organise Club matches. Provide equipment and Club repair service. Maintain shop for all types of equipment. Manage societies. First contact point for visitors.
- Green Fee collection. Tee bookings. Retail of Golf Equipment. Golf Tuition. Buggy/Trolley/Club Hire. Competition Entry/Results. Handicap Controls (Men only).
- Supply Clubs and golf wear to members. To collect green fees. Help in competitions, inputting scores on computer. Provide teaching for members and visitors.
- Golf reception. Green Fee collection. Competition entry collection. Retail operation. Golf tuition.
- Manage 1st tee. Manage all lessons. Equip Pro Shop.
- Competition entry process. Collect Green Fees. Provision of tuition, Club repairs and the sale of goods to members and visitors.
- Tee bookings. Competition organising. Runs the shop. Trolley hire. Buggy hire. Teaching Occasional starter for big events. Club storage.
- Tuition Retail services. Collect Green Fees. Captain/Pro Matches. Some involvement with Competition Management.
- Collection of Green Fees. Collection of Competition Fees. Sits on Green Committee. Sits on Junior Committee.
- Oversee golf shop, tuition, greens committee, membership liaison.
- Shop. Teaching. Competition. Help. Committee Work.
- Run a shop and have golf merchandise available. Welcome visitors and collect green fees. "Police" the 1st tee and maintain dress code observance.
- Running Pro Shop, Collection of Green fees, collection of competition money, lessons and Club PR.
- Collect competition entrance fees. Collect green fees. Start major Club competitions. Control buggy hire. Teach. Oversee dress code.
- Provision of equipment, clothing etc. Coaching. Competition administration. First tee management.
- Manage shop, teach, collect green and buggy fees. Organise Academy to attract new members.
- Provide lessons, collect green fees, issue warm up area ball tokens, stock a shop to cover equipment needs of members etc
- Process competition cards, teaching, shop etc.

MEMBERSHIP

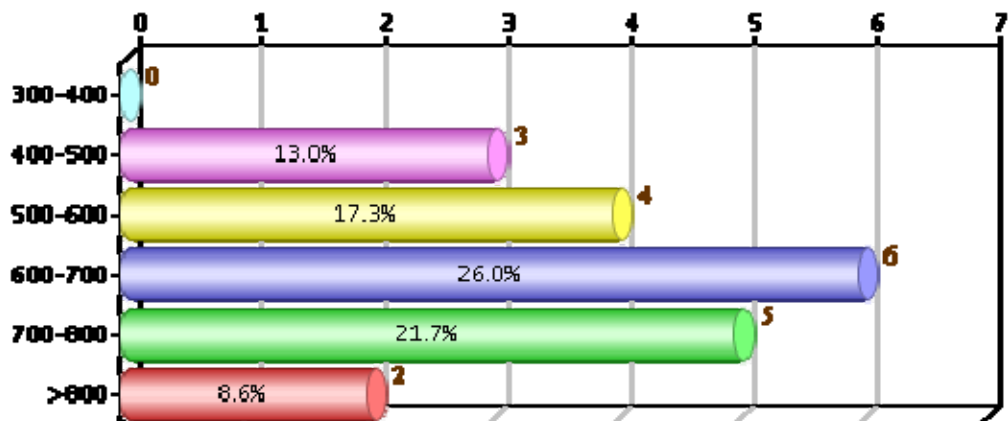
Number of PLAYING Members



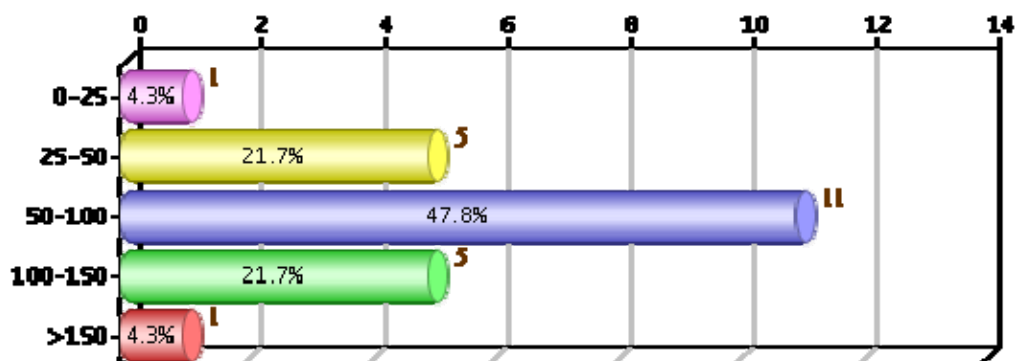
Suggested Maximum LIMIT of Playing Members



Recommended LIMITS of Playing Members



Number of SOCIAL Members



MEMBERSHIP BREAKDOWN (blanks or incomplete entries have been removed)

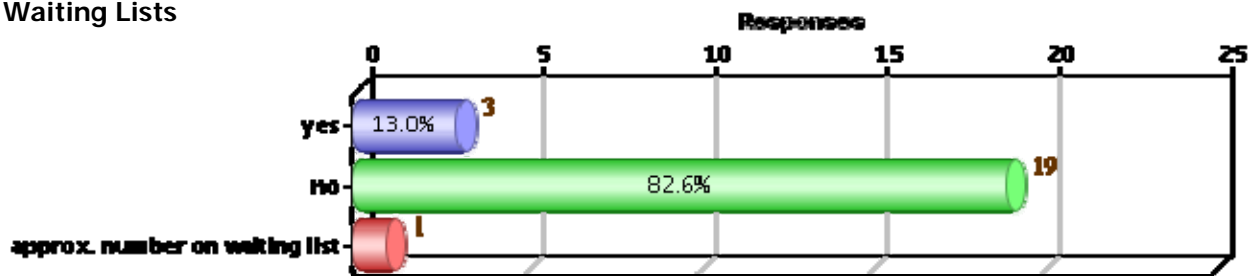
TOTAL members per Club	No. of Members in Age Brackets			
	Up to 20	20-35	35-50	50+
610	60	50	150	350
359	31	22	55	251
645	85	96	114	333
510	70	20	30	300
400	25	25	75	275
560	60	50	150	360
452	70	32	94	256
625	74	45	150	356
507	19	10	78	400
763	85	40	160	478
620	50	35	135	500
644	65	44	152	383
652	106	45	138	420
938	111	96	173	558
770	72	47	180	471
600	80	40	150	330
500	45	35	200 approx	215 approx
468	72	6	87	303
750	82	113	165	390
552	90	80	152	248
759	68	11	117	711
571	99	60	176	235
% of members	11%	7%	21%	61%

TOTAL members per Club	No. of Members in Player Groups		
	Gents	Ladies	Juniors
610	435	132	43
359	270	49	40
645	448	112	85
510	350	90	70
400	290	85	25
560	450	50	60
452	307	77	68
625	462	97	66
507	412	76	19
763	596	94	73
475	300	100	75
620	480	90	50
644	469	120	55
685	525	100	60
652	413	122	117
938	714	143	81
770	538	167	65
600	405	135	60
500	360	60	80
468	331	84	53
750	540	140	70
552	396	83	73
759	556	137	66
571	398	74	99
% of members	72%	17%	11%

Lady Members

Do you have reduced rates for Lady Members:	If YES, do you restrict usage for Lady Members:	If YES, using the list below please indicate the type of restrictions in place. Please tick all that apply:
Yes	Yes	Cannot play at certain times
Yes	Yes	Cannot play at certain times

Waiting Lists



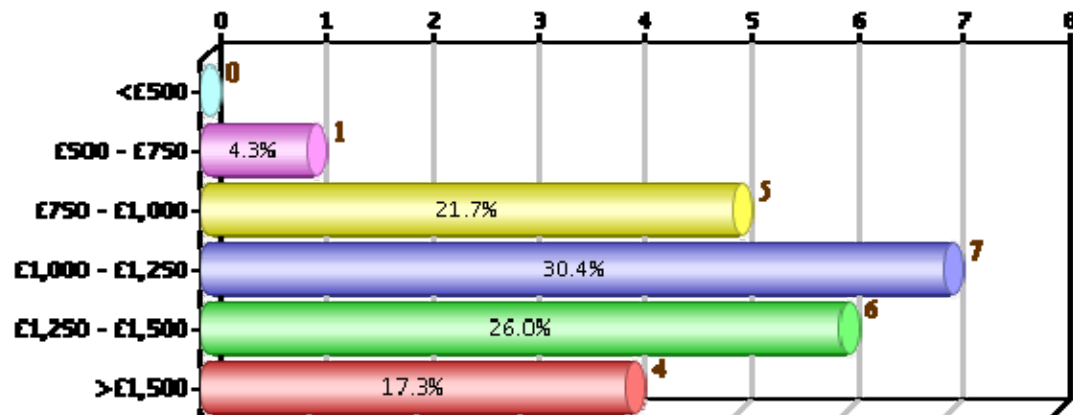
Waiting Times - The average length of time prospective members have to wait for membership.

Approximate sizes of Clubs waiting lists:	Gents - Waiting Time	Ladies - Waiting Time
-	2 weeks	2 weeks
-	2 weeks to a month	2 weeks to a month
-	2-3 weeks including playing interview	2-3 weeks including playing interview
-	1 week	1 week
15	6 months	-
-	3-4 months	3-4 months
-	1 year	No list
-	1 month	1 month
-	3 months	3 months
-	2-3 years	0-1 year
-	6 weeks	6 weeks
-	18 months	6 months
-	1 month	1 month
-	2-3 months	2-3 months

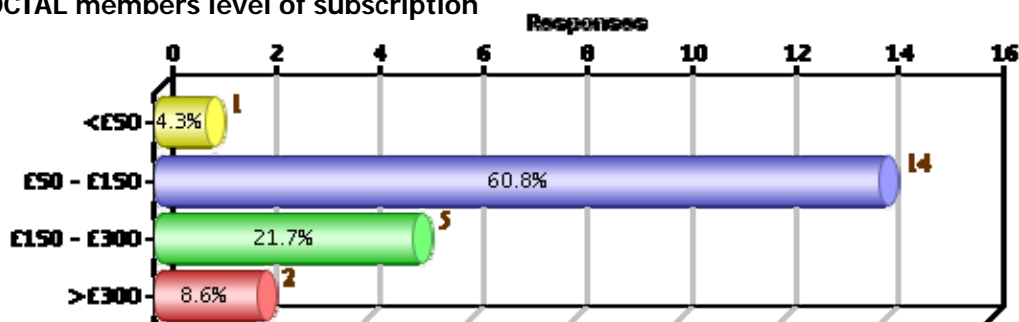
SUBSCRIPTIONS

Levels of Subscription for:

Standard PLAYING members level of subscription

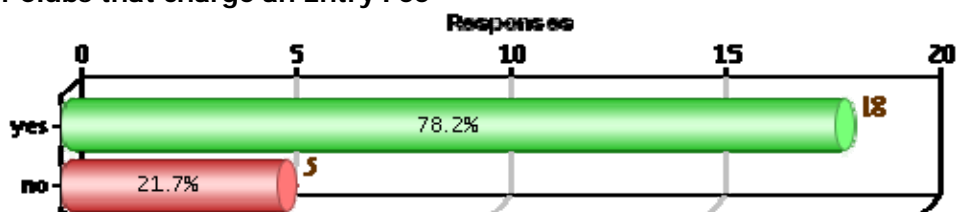


SOCIAL members level of subscription



JOINING ENTRY FEES

Number of Clubs that charge an Entry Fee

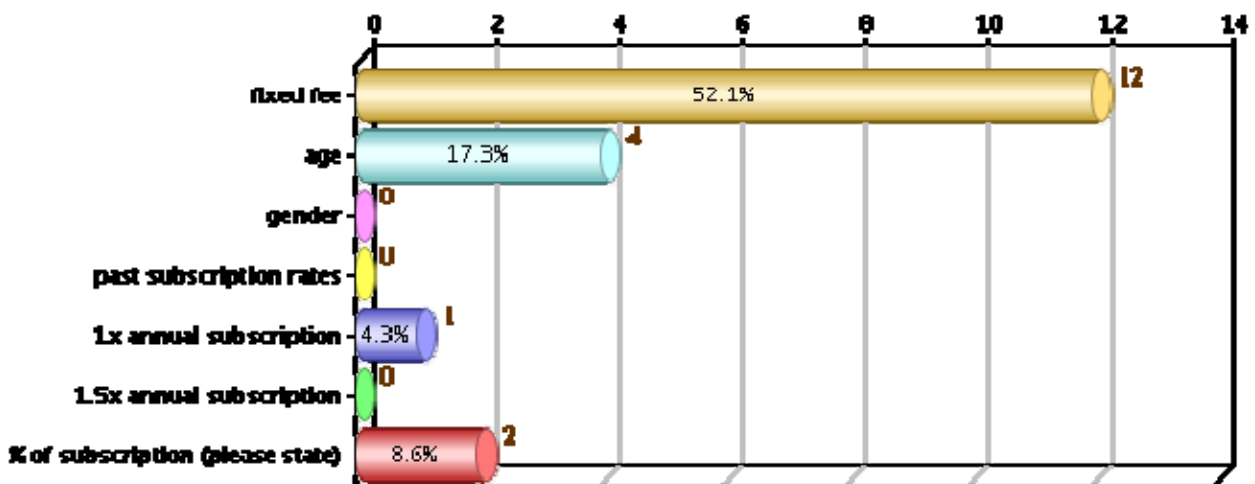


NO - All the Clubs that don't have an entry fee were **not thinking of introducing one**.

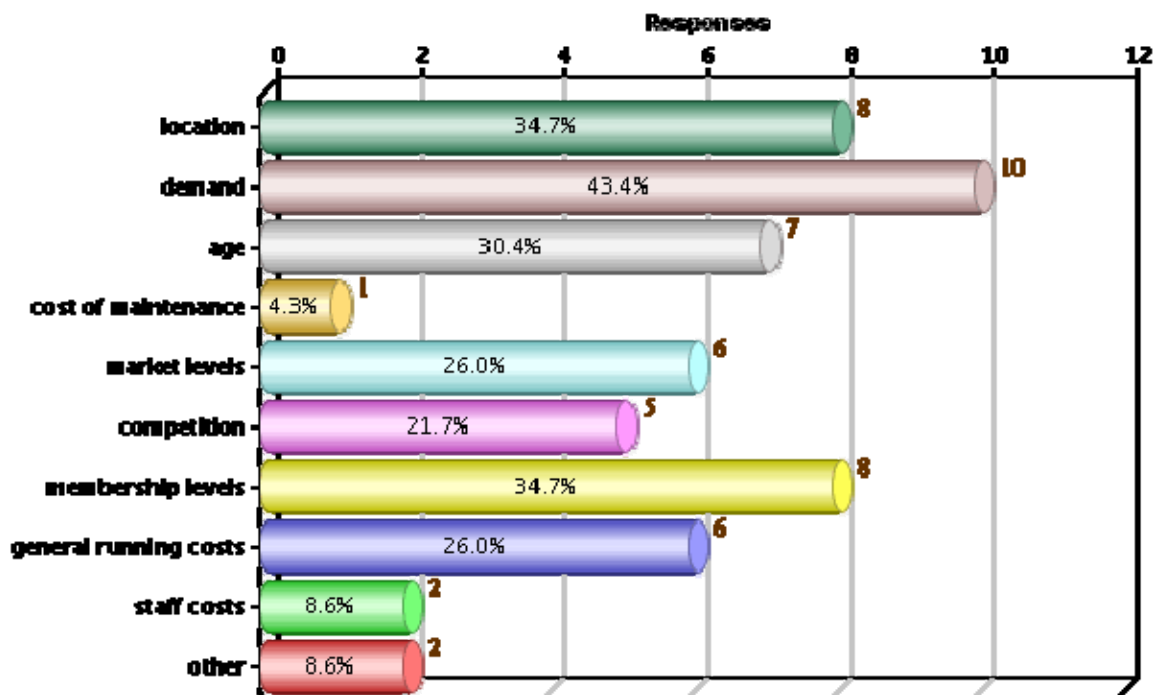
YES - **Reasons to have an entry fee** provided by responding Clubs detailed below:

- Still recruiting new members with joining fee in place.
- Fee has reduced from £1k over the past 6 years to £200.
- Prestige Club & entrance fees have been in place over 20 years without appearing to inhibit recruiting new members.
- Loyalty & Commitment. Equitable to existing members.
- It suits our business. Brings good retention and feel in the Club. People buy in for longer and are more involved.
- To provide income. Retention of members. Limit applications.
- We must retain entrance fees to keep loyalty. To make prospective members think it is a Club worth joining.

Entry Fee is based on:



Factors that do/would impact on the entry fee



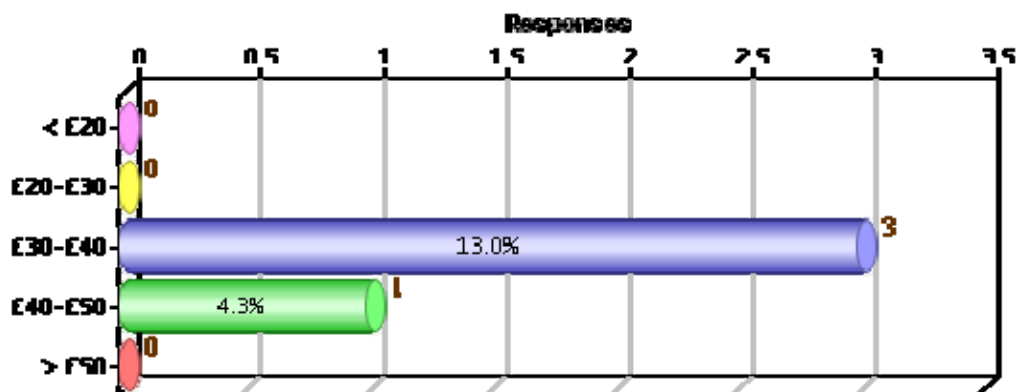
Other= Positioning and we consider it important for retention and loyalty.

GREEN FEES

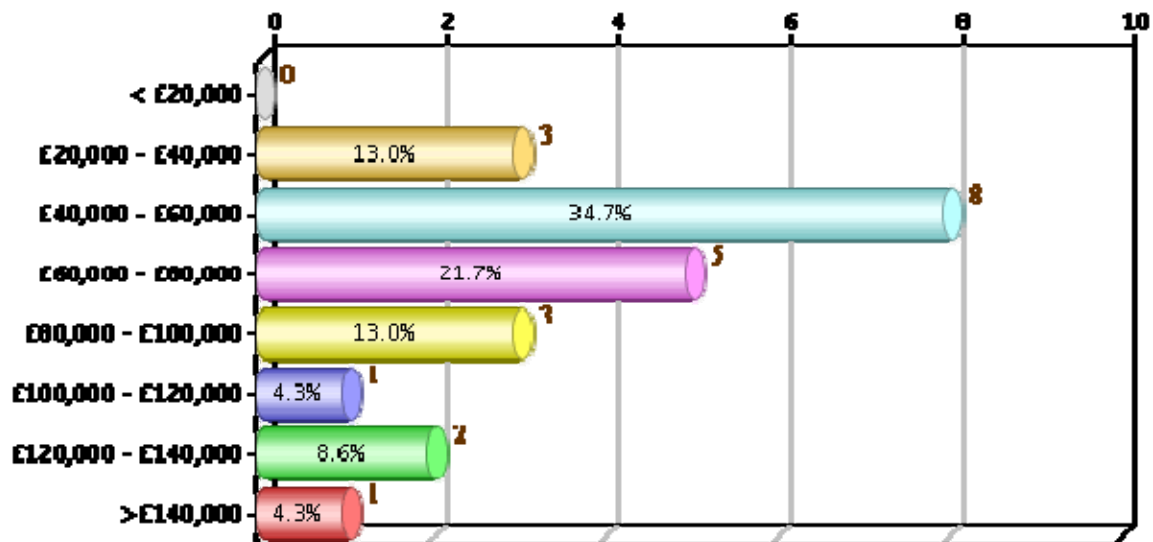
Green fees charges both with and without a member (£)

Weekdays WITH	Weekdays WITHOUT	Weekend WITH	Weekend WITHOUT	All Day WITH	All Day WITHOUT
£20	£36	£20	N/A	£50	N/A
£18	£36	£20	£40	-	-
£25	£40	-	-	-	£60
£20	£35	£20	£45	£30	£55
£18	£36	£20	£40	£25	£50
£22.50	£45	£25	£50	£22.50	£55-£60
£20	£35	£20	£45	£35	£50
£25	£40	£30	£65	£40	N/A
£25	£50	£25	-	£35	£75
£24	£50	£27.50	£55	£36	£75
£21	£42	£26	£55	£36	N/A
£23	£33	£28	£38	-	-
£16	£23	£18	£32	£28/£25	£45/£35
£15	£50	£20	N/A	£25	£65
£24	£48	£24	£55	£58	-
£20	£40	£25	£45	£20	£50
£30	£55 West £85 High	£35	£80 West £125 High	-	£120
£20-£25	£28-£40	£20-£25	£28-£40	£25	£32-£40
£22	£40	£22	Visitors not permitted at weekend	£40	£60
£20	£35	£30	N/A	N/A	N/A
£15, £20, £25	£55	£15, £20, £25	£55	£70	£70
£55	£22	£55	£22	£75	£30
£22.50	£50	£27.50	N/A	£27.50	£65
£20	£40	£20	£45	£25	£50
£25	£55	£25	N/A	£25	£70

Green Fee Ranges

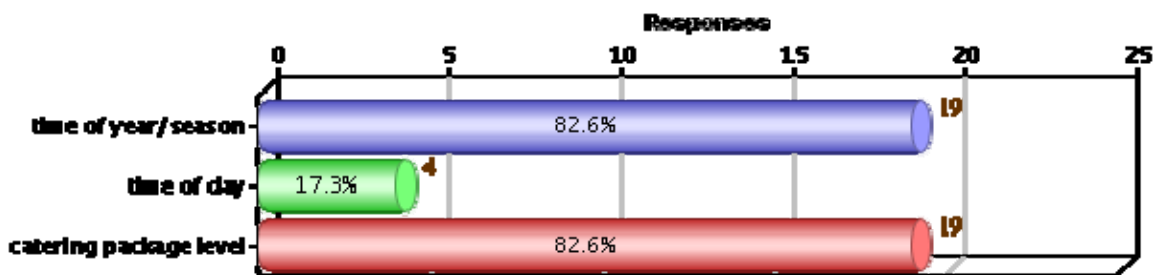


Levels of INCOME from Green Fees per annum

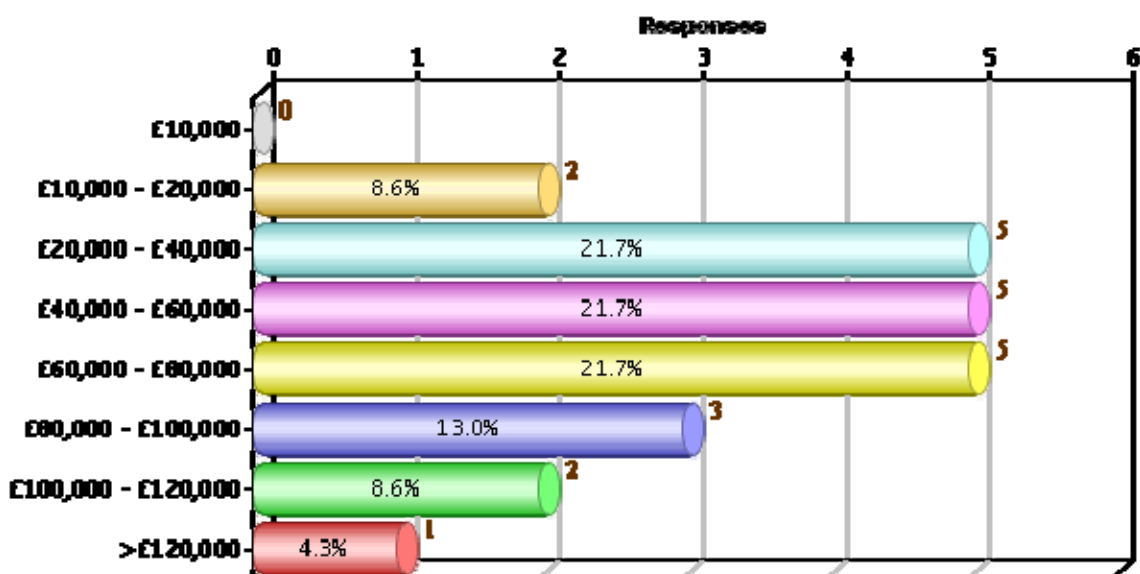


SOCIETY RATES

Factors that impact on the packages offered by Clubs



How much Clubs earn from SOCIETY usage



Society Rates for Various Packages

9-hole packages	18-hole packages	27-hole packages	36-hole packages	Other packages
-	£44	-	£73	
-	£40	£55	£65	
-	£50-£60	-	-	
-	£40	£50	£60	
-	£39.50	-	-	
-	£30 (Winter) £65 (Summer)	-	£70-£80	
Negotiable	£49.50	£56.50	£78	
N/A	£55	£70	£95	
-	£60-£72	£70-£85	£78-£95	
N/A	£57	£64	£70	
-	£51.50	-	£84	
-	£45	-	£65	
-	£45	-	-	
-	c£58	-	c£83	Winter 18 holes £38. We don't do 9 holes. We charge same for 27 as 36 holes. The green fee is NOT discounted for any society, except for 5 charity events in the year at 50%.
-	-	-	£82	
-	£65	£75	£80	
-	£120+ VAT	-	£155+ VAT	
-	£44-£74	£52-£82	£52-£82	
-	£58	-	£75	
-	£35+	-	-	Most packages are tailor made to suit the society's requirements.
-	£72 to £94	£84-£94	£84-£94	
-	£65	-	-	
-	£67	-	£87	
-	£46-£60	-	£71.50	
N/A	£80	£90	£100	

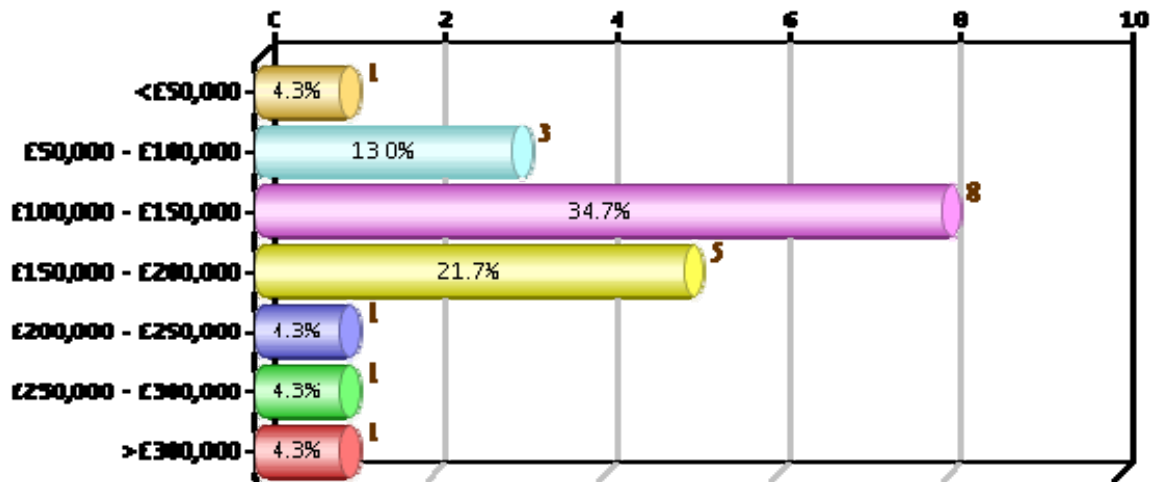
FACILITIES

Room/Facilities Hire: Policies operated by the Clubs

Members only cost	Members or member sponsored cost	Non-members cost	Using a price per head cost system (£ per/head)	Franchise catering cost
-	Up to £200	-	-	-
Nil	Nil	£300+ VAT	-	-
-	-	-	-	-
£100	-	£100	-	-
-	-	-	-	-
0	0	Cover staff costs	-	-
None	None	£200-£500 depending on room size	N/A	Yes
Parties FOC	-	£250-£1,200	Conference use only £20+	No
£500+ VAT	-	£1000+ VAT	-	-
£200	-	-	-	-
£300	£500	N/A	£3	-
0	0	-	-	-
-	£500	-	-	-
0	£100	N/A	N/A	N/A
-	%	-	-	Franchise
Free	£5 per non member	£5-£10 per head, £1000 per wedding	-	-
-	-	£150-£2,500	-	-
£0-£100	£0-£100	Discretionary	-	-
Free	Free	£200	-	No. In-house
Nil	Nil	£250-£500	-	-
£350	£350	£940	-	-
-	Yes	-	-	Yes
0	£150	£250-£750	-	Yes
Nil	£200+ VAT	N/A	-	-
Not usually	-	Varies according to room	-	Yes

Bar Revenue & Activity

Annual amount of revenue from BAR USAGE



Gross Margin on bar activity	Net Profit Margin	Rateable Value	Rate Cost
£65,000	£8,000	£82,000	£44,500
-	-	£103,000	£44,700
52%	-	-	-
50%	46	£62,000	£5,200
£50,000	-£20,000	£110,000	£46,000
£71,400	£22,750	£121,165	£9,731
65%	-	£117,000	£51,000
£100,550	£37,748	£58,374	-
55%	19.5%	£134,000	£55,000
-	-	£81,000	-
50%	-	£128,000	£9,000
c54%	N/A	£121,000	£40,863
£75,000	0	-	£50,000
56%	-	£123,000	£51,000
65%	38%	£235,000	-
£40,000	Flat	£96,000	£49,500
54%	£28,000	-	£47,000
58%	£55,000	£130,000	£57,000
£63,000	£12,000	£179,000	£77,686
£66,600	£1,300	-	£58,000
£132,480	£39,254	£162,000	£67,068
£77,680	£25,472	£128,000	£53,000
-	-	-	£80,000

The Club House

Club Maintenance Costs

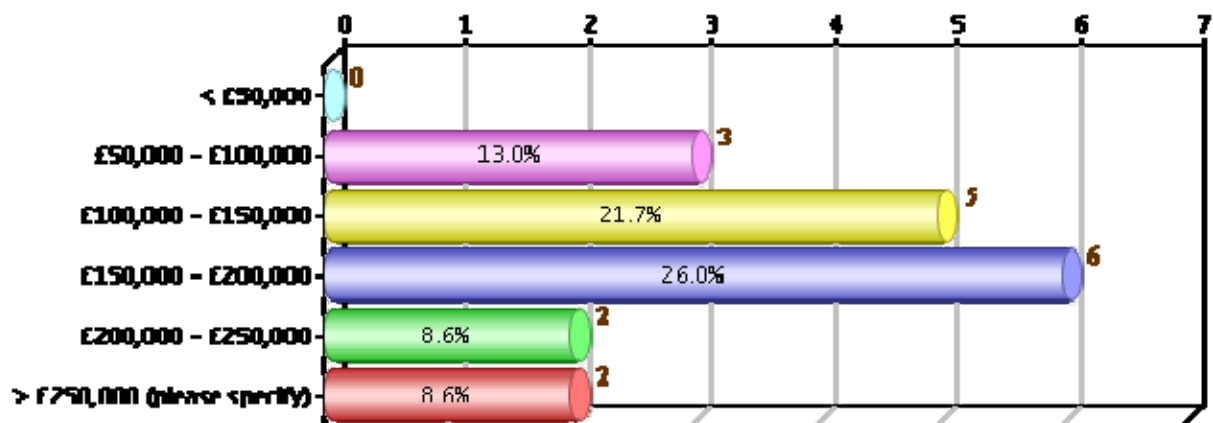
Club Maintenance Costs (£)
£60,000
£119,000
£20,000
£25,000
£37,000
£58,000
£47,280
£125,000
£10,000
£63,000
£30,000
£29,500
£101,000
£117,000 (inc Utils)
£438,000
£12,00
£45,289
£36,200
£166,080
£33,749
£50,000 before refurb

Wages Level for Club House Staff (£)
£50,000
£134,000
£75,000
£95,000
£18,000
-
£26,958
£110,000
40
£115,000
£80,000
£82,000
£560,000
£42,000 (Bar)
£175,000
£30,000
£245,140
£82,000
£24,960
£26,945
£20,000

Catering Revenue

Clubs that have Franchise Caterers: 5 Clubs responded to say they have franchise caterers.

Revenue from Own Catering



Profit Margin
26.4%
40%
50%
55%
55%
64%

Staffing Numbers

BAR STAFF		
Full Time	Part Time	Casual
1	1	6
2	4	0
56	16	20
1	1	2
1	1	-
3	3	-
1	-	2
4	3	-
1	3	5
-	-	-
3	1	2
1	5	-
3	-	6+
3	-	-
1	3	3
6	3	-
1	1	3
2	0	5
2	1	1
5	5	2
2	-	2
3	-	3
2	-	20-30
-	-	-

CATERING STAFF		
Full Time	Part Time	Casual
3	-	-
3	1	
Franchise	-	-
5	-	8
1	1	4
2		As needed
Franchise	-	-
15	9	-
2	2	6
3	0	15
Franchise		

GOLF COURSE STAFF		
Full Time	Part Time	Casual
6	-	-
4	0	1
38	-	-
6	-	-
5	-	-
5.5	-	-
4	2	-
6	-	-
7	-	-
-	-	-
7	-	-
4	1	-
6	2	-
7	1	2 in summer
7	-	-
6	-	1
16	1	-
6	-	-
6	0	0
6	-	-
8	-	-
8	1	-
8	-	-
6	-	-
8	-	-

Staffing Numbers Cont.../

HOUSE STAFF/CLEANERS		
Full Time	Part Time	Casual
-	-	-
0	2	0
1	-	-
4	-	-
0.5	-	1
-	1	-
1	-	-
-	3	-
1	-	-
2	-	-
-	-	-
0	0	0
Contract	-	-
-	2	-
13	9	-
-	2	-
0	2	0
1	1	2
4	-	-
Franchise	-	-
1	1	-
2	-	-
1	-	-

ADMINISTRATION STAFF		
Full Time	Part Time	Casual
1	2	-
1	1	0
3	-	-
2	-	-
2	1	-
1	-	2
4	-	-
1	3	-
1	2	-
2	-	-
2	-	-
2	1	-
2	-	-
1	2	-
12	7	-
1	3	-
2	1	0
2	-	-
3	-	-
3	1	-
1	3	-
3	-	-
3	-	-

Utility Costs

Electricity Costs	Gas Costs	Water Costs
£21,000	£8,000	£11,000
£11,000	£6,000	£5,000
10,000	£1,000	-
£15,000	£3,000	£12,000
£25,000	-	£3,000
£11,800	£10,200	£6,200
£28,230	£5,113	£4,065
£17,929	£9,505	£661
£19,000	£18,000	£6,000
£14,000	-	£7,000
£13,000	£9,500	£4,250
£13,200	£10,700	£5,400
£20,000	£20,000	£50,000
£18,000	£5,000	£1,500
£45,000	£55,000	£8,000
£23,000	N/A	£3,000
£15,000	£10,000	£4,000
£20,000	£8,000	£5,000
£46,200 all 3	-	-
£21,100	£11,500	£6,000
£25,000	£10,000	£12,000
-	-	-
£24,000	£6,000	£6,000

Course: Maintenance & Wages Costs

* Excl. Depreciation & Wages

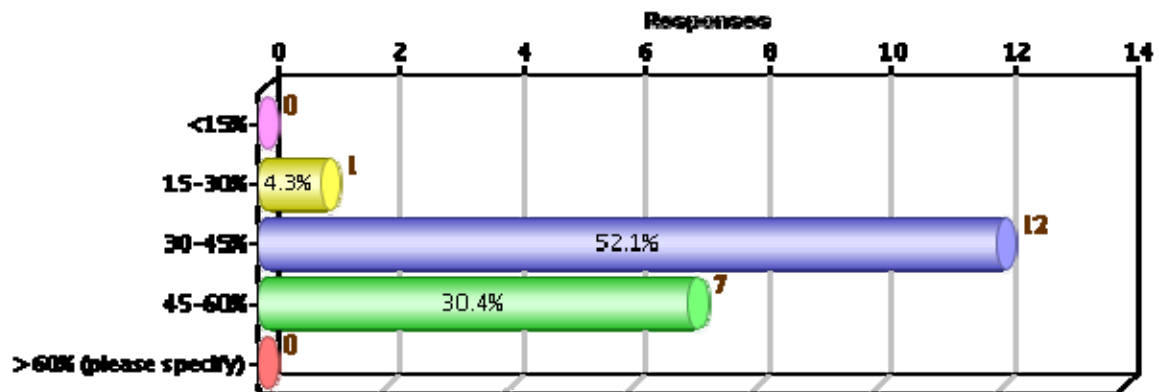
Course maintenance costs	Course wages costs
£105,000	£157,000
£102,000	£107,000
-	-
£12,000	£99,000
£145,000	£160,000
£18,500	£160,245
£130,000	£181,000
£80,664	£200,508
£95,000	£175,000
£40,000	£90,000
£62,000	£160,000
£65,000	£208,000
£60,000	£200,000
£151,000	£159,000
£400,000	£508,000
£130,000	£171,000
£103,000	£174,000
£28,000	£175,000
£122,130	£198,856
£34,000	£210,500
£120,715	£184,560
£71,277	£193,040
£175,000	£215,000

GENERAL

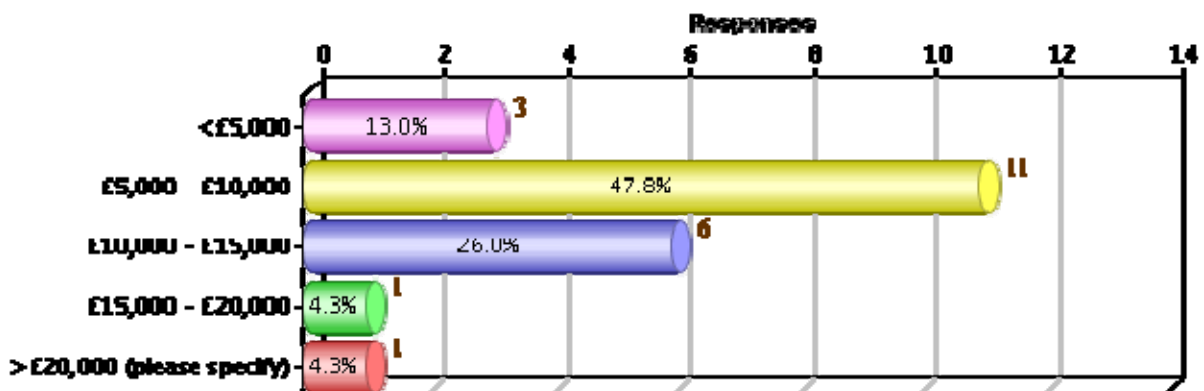
Annual Surplus/Deficit

Surplus	Deficit	Breakeven
£92,000	-	-
£13,000	-	-
£6,400	-	-
£57,000	-	-
£89,429	-	-
£29,000	-	-
-	£9,000	-
£69,000	-	-
£50,000	-	-
£52,000	-	-
£49,000	-	-
£12,000	-	-
£31,000	-	-
£52,000	-	-
£99,576	-	-
£20,480	-	-
£9,115	-	-

VAT RECOVERY percentage (%)



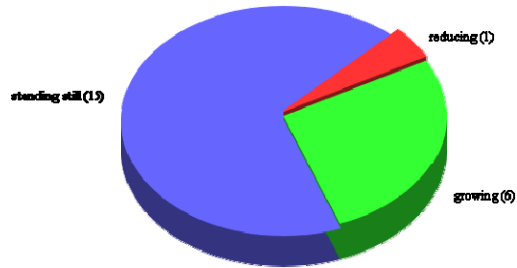
Annual GENERAL INSURANCE costs



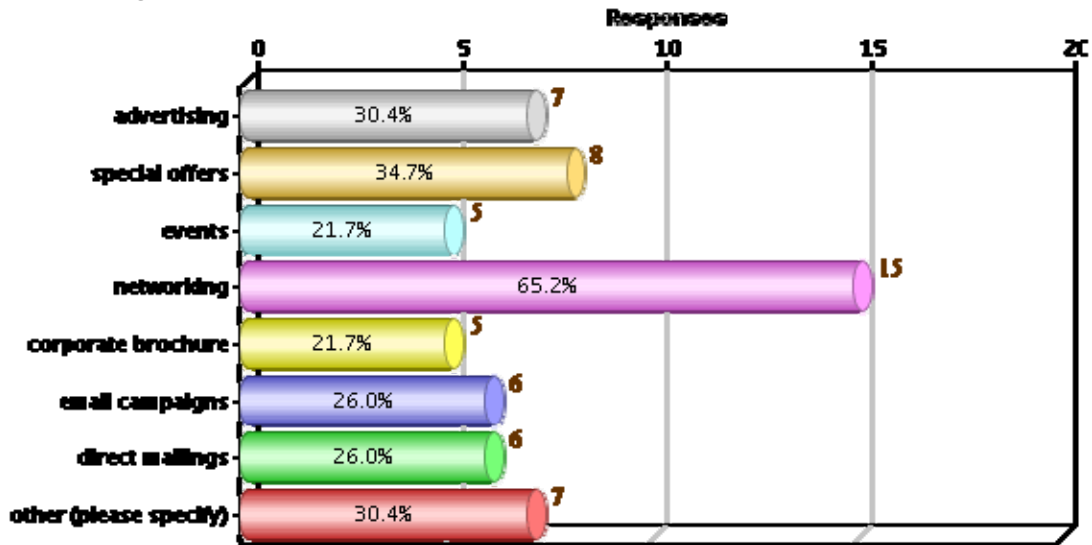
BUSINESS DEVELOPMENT

Business Position at Present

BLUE = Standing Still (15)
RED = Reducing (1)
GREEN = Growing (6)

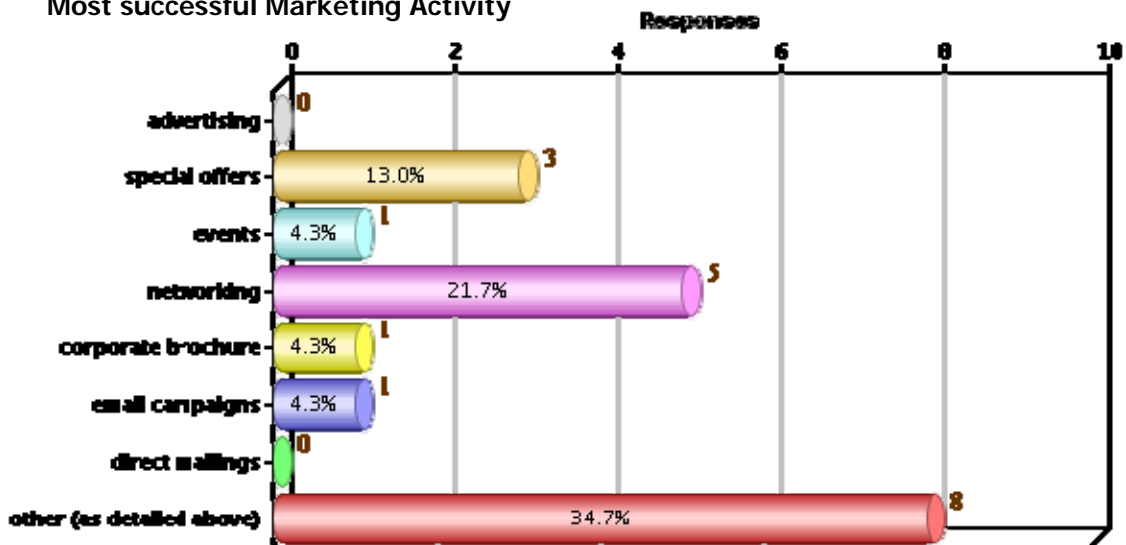


Marketing/recruitment of new members



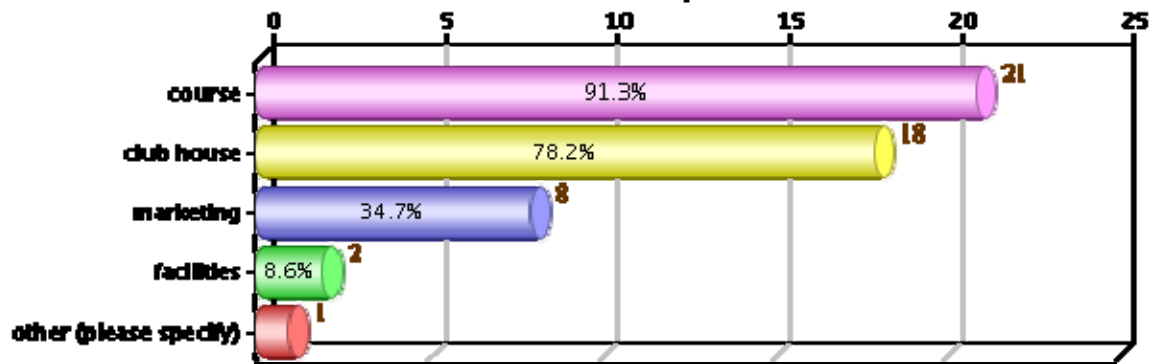
Other = Website, use of existing members as sales force and word of mouth.

Most successful Marketing Activity



Other = Existing members, website, recommendations and word of mouth.

Areas where Clubs are looking to invest



Other = Greens compound

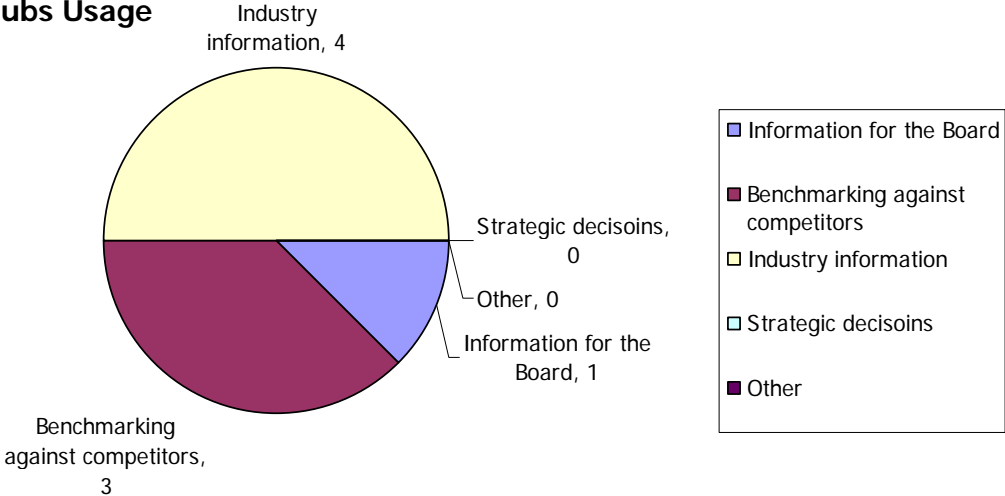
2 for 1 Schemes used?

Of the 24 responses, 2 Clubs operate 2 for 1 schemes. Of the 2 responses, 1 Club said receive an extra income of £3,000.

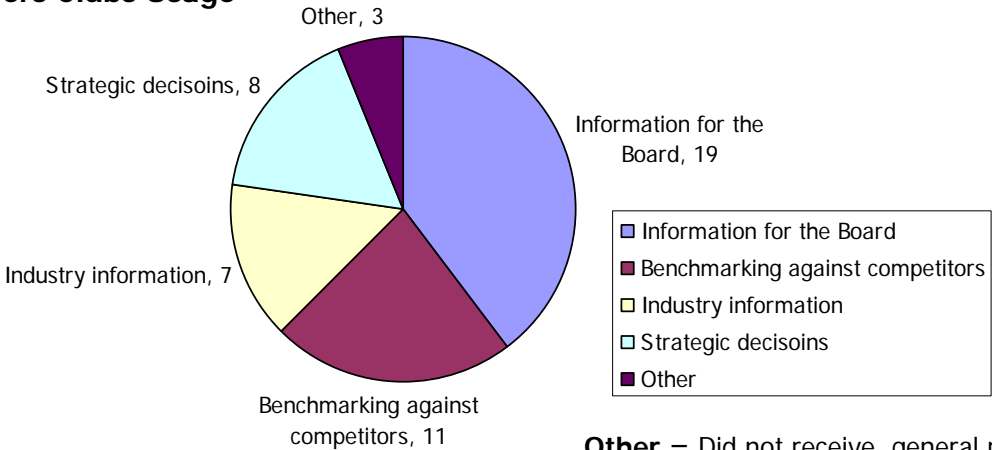
Conclusions

How the 2009 report has been used by both Proprietary & Members Clubs

Proprietary Clubs Usage



Members Clubs Usage



Other = Did not receive, general reference and informing members

Future Trends and Recommendations

Throughout the report we have again suggested various activities that all Clubs can do to help with income streams going forward. Three of the key areas continue to be:

- Margins and new Sources of Income**
 There continues to be scope to improve margins for all Clubs and to expand the facilities offered e.g. driving ranges. As the report has shown, this is a way of increasing income.
- Social Members**
 Continuing to encourage Social Membership is a good way of increasing revenue for all Clubs.
- Growth**
 An increased focus on marketing activities is a key feature in growing Clubs.

We hope you find the above report interesting. Our Golf Club specialist, Robert Twydle, would be delighted to visit your Club individually if you would like a thorough review of your existing arrangements and recommendations for improvement, where necessary.

Aylesbury

2a Alton House Office Park
Gatehouse Way
Aylesbury
Buckinghamshire
HP19 8YF

Hemel Hempstead

Charter Court
Midland Road
Hemel Hempstead
Hertfordshire
HP2 5GE

London

Dukes Court
32 Duke Street
St. James's
London
SW1Y 6DF

Watford

64 Clarendon Road
Watford
Hertfordshire
WD17 1DA

08452 770660

info@hhllp.co.uk

www.hillierhopkins.co.uk



hillierhopkins LLP

Chartered Accountants and Tax Advisers