



Chartered Accountants and Tax Advisers

Friendly Expertise for Golf Clubs

In association with The Golf Club Secretary

Contents Pages

Foreword 3

	Members Clubs	Proprietary Clubs
Staffing Remuneration PGA Professionals Staffing Numbers	4-7 5 5-6 7	20-23 20-21 21-22 23
Playing Members Playing Members Membership Limits Membership Breakdown Lady Members Social Members Rounds Played Waiting Lists	7-9 7 7 8 8 9 9	23-25 23 23 24 24-25 25 25
Facilities Driving Ranges Academy Areas	10 10 10	26 26 26
Fees & Charges Subscriptions Entrance Fees Green Fees & Incomes Society Rates Room/Facility Hire Visiting Team Fees	11-13 11 11 12 13 13	27-29 27 27 28 29 29 29
Financial Information Turnover Society Income Society Surplus/Deficit Bar Revenue & Activity Utility Costs Course Maintenance/Wage Costs Special Projects Club House Maintenance Franchise Catering Annual Surplus/Deficit VAT Recovery Annual General Insurance	14-18 14 14 14 15 15 15 17 17 17 18 18	30-34 30 30 30 31 31 32 32 32 32 33 33 33 33
Business Development Growth Marketing Investment	18-19 18 19 19	34 34 34 34
Key Messages Future Trends and Recommendation	35 ons 35	

# Welcome to Hillier Hopkins

LLP's 2014 Golf Survey Report for Members Clubs and Proprietary Clubs, which I trust you will find an illuminating resource to benchmark against and, most vitally, improve your own club.

We are very grateful to those of you who kindly responded to previous surveys, as well as this one. You are aiding progress across the UK. Many clubs who participated this year, almost 150 also viewed our 2013 research report, took action and were rewarded. We are, once again, greatly encouraged to note that clubs considered last year's offering to be an invaluable, informative and interesting document.

The good news is that following several difficult years the last 12 months have borne out a significant upturn in performance and fortunes for most clubs, according to our extensive findings. I'm pleased to highlight that in 2014 a number of establishments cut costs while managing to enhance their membership, by becoming leaner, more enterprising and healthier, ultimately heeding the tough lessons from a testing period.

Thanks to our detailed surveys, submitted by both Members and Proprietary Clubs from the farthest extremities of the UK, it is evident that golf is thriving because of progressive attitudes. Across the land there are signs of encouragement, green shoots if you will.

In order to swell memberships, facilities have been bettered from courses to driving ranges to bars and inventive schemes, clever marketing and deals have helped to attract newcomers. In short, those who have sought to evolve have reaped the rewards.

There are still some areas that can be improved upon; the paucity of young members remains a concern, for example, despite more academy areas. So too does the continued lack of female golfers. However, steps are being taken in the right direction for the most part.

As in previous years, for the ease of digestion, we have separated the results by club type — Proprietary and Members. This should enable easier comprehension and bench-marking.

Due to a limited response from Propriety Clubs some of the findings in this year's survey are variable. While we have been able to compare the results to previous reports I'm unsure whether any strong and fully reliable conclusions can be drawn, in some cases, owing to the small sample size. The results do however still highlight the differences between the sectors and give indication of how each one is performing.

For instance, Proprietary Clubs appear better at controlling costs and maximising usage of facilities, there is still plenty that Members Clubs can learn from their successful and resourceful operational arrangements. Proprietary Clubs recognise the need to meet the ever-changing needs of customers, and are willing to adapt to achieve this.

Pleasingly, the number of Members Clubs responding to our survey has significantly increased this year with arguably a muchimproved geographical spread, meaning that the conclusions make for pertinent reading.

In 2015, and beyond, both Members and Proprietary Clubs should continue to adapt to market trends in order to thrive, remaining open to change when this is what the membership is demanding. This report should be compulsive reading to ensure your club is not left behind, and a useful resource for making strategic decisions.

Thank you once more for your time and effort in responding to our enquiries. We hope that the survey continues to be of great interest.

# Robert Twydle Principal

### Members Clubs Results 2014

# 124 Clubs, Typically with 18-hole Courses

For our 2014 report we have been able to aggregate findings from an impressive number of Members Clubs, located all across the UK. The 124 participants are from 10 regions across Great Britain, with 31% from the South East. As in 2013, these were predominantly 18-hole clubs (88%), with 5% nine-hole, 5% 27-hole and 2% 36-hole clubs.



### Survey Respondents

The vast majority of survey respondents – including mainly managers and secretaries – were paid members of their clubs, with very few (just 6%) honorary positions evident.



# Staffing

### Remuneration Packages

Salaries and wages for Members Clubs' officials increased overall in 2014, which was encouraging news following a static few years, owing to the testing economic climate which improved over the last 12 months.

While survey respondents had a typical remuneration package of in excess of £40,000 (55%) – almost identical to 2013 (56%) – Head Green Keepers' average earnings were noticeably higher, with almost half (49%) receiving more than that figure. Further, in 2014 some 45% were rewarded with salaries of £30,000-£40,000 compared with 39% the previous year.

Interestingly, by contrast, Steward remuneration decreased when set against 2013's findings, at £20-£25,000 (27%), though this appears to be an anomaly.



#### PGA Professionals at Most Members Clubs

Some 89% of Members Clubs indicated that they have a PGA professional and among those who pay a retainer fee, this is typically between £1,000-£2,500 per month. However, many clubs questioned whether or not the golf pro was in fact good value for money.

Around 59% of Members Clubs pay in excess of £2,000 to their PGA professional, compared to 47% doing so in 2013.

Members Clubs pay a typical PGA professional monthly wage of £1,000-£2,500.

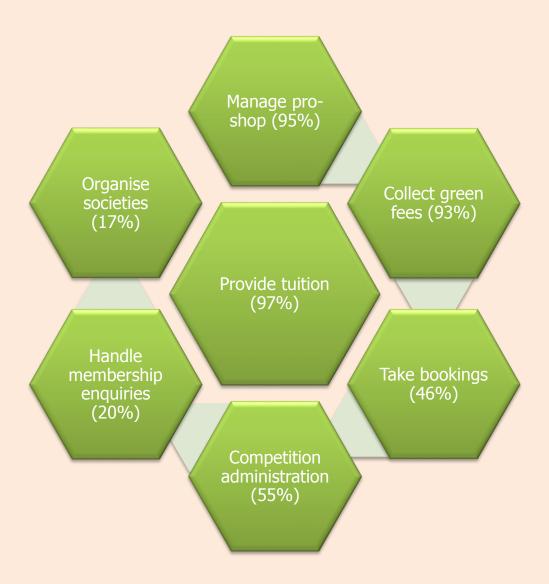
#### **Professionals Commission Rates**

Over the last three years between 52% and 60% of Members Clubs were paying commission to their professionals. In 2014 this fell to 47%. Also in the last 12 months most commission levels were at 10% (at 45% of Member Clubs), followed by 5% (at 33% of Members Clubs).

Fewer Members Clubs (60% compared to 67% in 2013) now provide free premises as part of their package for their pros.

#### **PGA Pro's Duties**

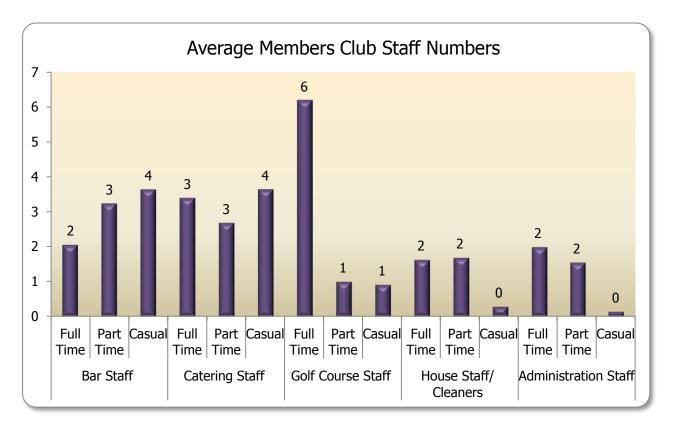
The role of the professionals is usually threefold at Members Clubs. They have a duty to do the following: providing tuition; collecting green fees; and managing the golf shop.



#### Staff at Members Clubs

Our findings in this area usually prove highly variable and dependent on the size and needs of each club in question. Numbers of members of staff in 2014 ranged from 2 to 61 across Members Clubs, with an average total staffing number of 21.

Average numbers across functions are broken down as follows:



### **Members**

### **Reducing Member Numbers**

The 2014 figures indicate that Members Clubs display a wide ranging number of playing members, with 36% enlisting between 100 and 500. Further up the scale 23% boasted 500-600, 28% with 600-700 and just 13% having in excess of 700 members. These figures suggest a slight decline in numbers. Clubs with 500+ members fell from 72% in 2012, to 67% in 2013 and 64% in 2014. This is contrary to what we were expecting as most clubs had indicated that their numbers had increased.

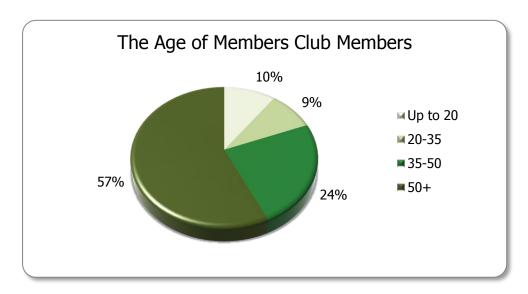
# Limiting Membership

Most Members Clubs (79%) suggest a cap on their number of playing members. Suggestions for this limit vary significantly. However, a limit of

500-700 features most frequently.

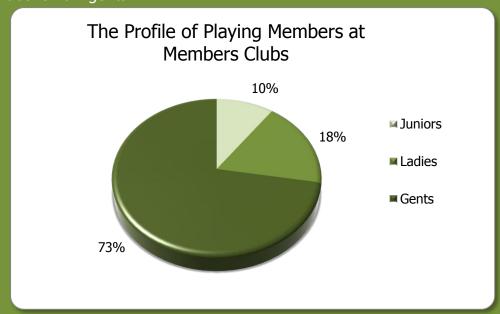
### Member Ages

As in 2013, and as shown in the following pie chart, the age distribution of Members Club members shows fewer younger members (in lighter shades) and more older members (shaded darker), and a large majority of members are aged 50 or over.



#### Ladies and Gentlemen

Similarly, as shown in the following chart, and closely aligned to the findings of 2013, the gender distribution of playing members at Members Clubs shows fewer female and junior members, and more gentlemen members. Almost three-quarters of playing members as above now gents.



### Female Members Increasing?

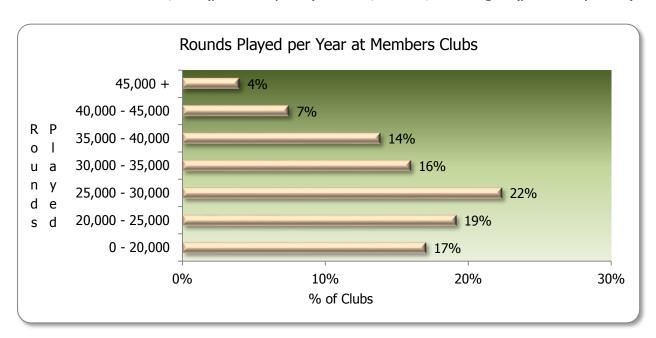
Just 48% of Members Clubs say female membership is increasing and disappointingly, this is a lower percentage than that indicated by Proprietary Clubs (over 60%). Just 6% of Clubs restrict lady member usage, typically in terms of time restrictions. A similar percent-age to 2013 (9%) of Members Clubs offer reduced rates for lady members.

#### Social Members

As anticipated, the number of social members in Members Clubs has improved in the last 12 months – in 2013 some 30% had 100 or more such members, yet in 2014 that percent-age moved up to 34%. This increase is encouraging; with clubs continuing to benefit from social membership levels which impact positively on revenue.

### **Annual Rounds Played**

There was a large variation in the number of rounds played annually at Members Clubs in 2014, according to the survey results. Compared to 2013, noticeable differences are evident in the zero-20,000 (previously 7%) and 35,000-40,000 ranges (previously 25%).



# Society Rounds

Rounds played by societies range from zero to 25,000. The typical number of rounds played is approximately 2,300 annually – identical to that recorded in 2013. A higher percentage (44%) of all Members Clubs report an increase in the number of rounds played. There is some indication that numbers may be on the increase again but this is variable.

# Fewer Waiting Lists

Compared to 21% recorded in 2011, 18% recorded in 2012 and 26% in 2013, 18% of Members Clubs had a waiting list last year. Among these, the average number of people waiting to join increased to 110 (46 in 2013), with waiting times from just two weeks to 25 years.

### **Facilities**

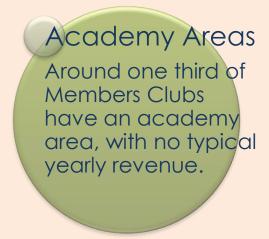
### Driving profits with a range

While driving ranges yielded a typical income of £5,000 in 2014 for Members Clubs only 41% of those who submitted surveys could offer it as a facility. However, that figure was 6% up from 2013.



### **Academy Areas**

The percentage of Members Clubs offering an academy area -35% – is consistent with that of 2013 and 2012. A section where youngsters would be able to be introduced and develop their golf would be a good way to both boost profits and energise the sport and your club.



# Fees & Charges

### Member Subscriptions

Membership fees for standard playing members vary from between £500 to £1,500, or higher.



### Social Membership Charges

The most typical social membership charge was between £50 and £150 (64%) – a slightly higher percentage than in 2013 (57%). Our view is that Members Clubs should increase their social charges, if only slightly.

### Rising Entrance Fees

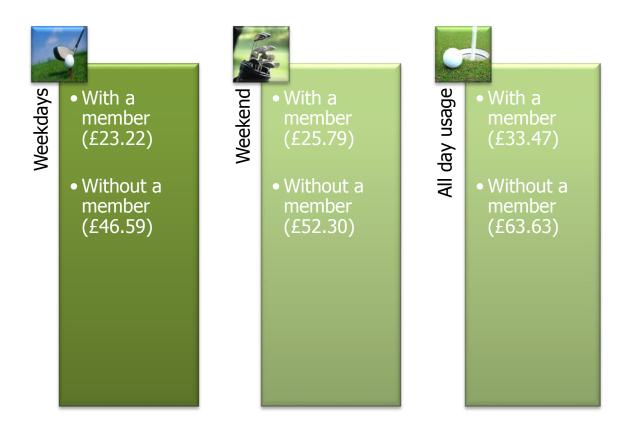
Compared to just under 64% in 2013, 66% of Members Clubs now have an entrance fee, ranging from £200 to in excess of £5,000, which represented an increased average of almost £1,600.

The vast majority of the Members Clubs surveyed anticipated no change in this fee in 2015. Further, few establishments currently without entrance fees are planning to implement one, fearful of losing demand.



### **Green Fee Charges**

Average green fee charges are shown below, across weekdays, weekends and all day use, both with and without members. These are slightly higher than in 2013, across all categories. Bearing in mind that these figures no longer include VAT, it is clear that Members Clubs have maintained their prices.



#### Green Fee Incomes

Green fees yielded a wide range of income for Members Clubs, from nothing to over £300,000. In 2014 44% of Members Clubs enjoyed a green fee income of up to £60,000, which was in fact a 2% decrease on the percentage the year before. Some 14% of Members Clubs now have a green fee income in excess of £140,000, which was exactly the same as 2013.



# Society Packages

Many Members Clubs organised society packages in 2014, with average costs highlighted below\*. These indicate a slight increase on 2013 for nine- and 18-hole deals, which contrasts with a slight decrease for 18 and 36 holes. Most society cost packages remain higher in Members Clubs than in Proprietary Clubs, a finding that is consistent with expectations in the current climate. Two aspects impact most significantly on society packages: the time of year and season; and the catering-package level.



<sup>\*</sup>Some Members Clubs offer a range of prices dependent on numbers and catering.

### Room & Facility Hire

The average approximate rates for room hire within Members Clubs are presented below. A large number of Clubs revealed that this was free for members. Others indicated price-per-head-facilities and other variable charges were dependent on numbers and catering.



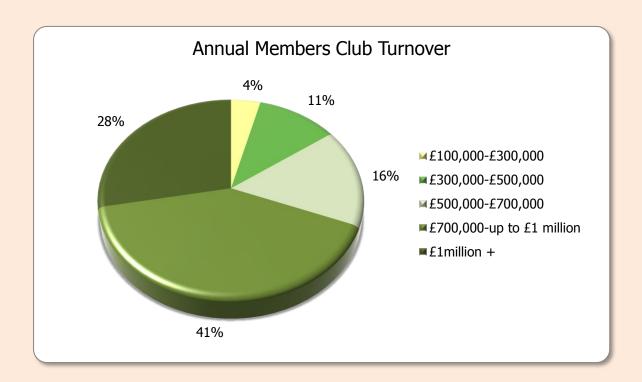
# Neighbouring Clubs Charges

Almost 90% of Members Clubs charge no match fee to visiting teams from neighbouring clubs. Those who do, charge between £12 and £25. Among those who currently don't, a large majority (84%) of Members Clubs were reticent to do so.

### **Financial Information**

#### Turnover

Members Clubs report turnover levels ranging from £100,000 to £1million+, with more Members Clubs moving from the £500,000-£700,000 range (falling from 23% in 2013 to 16% in 2014) to £700,000-£1 million (rising from 34% to 41%).



### Society Income at Members Clubs

Members Clubs' society income continues to be most frequently between £20,000 and £40,000, with 27% in that bracket in 2014, falling from 31% from the previous year.

The figures obtained in 2014 suggest that income is remaining fairly consistent, hovering around the 23-25% mark, as in years prior to 2013.

### Society surpluses and deficits

In Members Clubs, the average society surplus figure was £40,000, a healthy improvement on that indicated in 2013, which was £31,000. However, the average society deficit has also increased from £11,600 in 2013 to £22,600.

# Reviving Levels of Bar Revenue and Activity

The importance of bar usage as an income stream should not be underestimated. Bar revenue was in decline in 2013, but last year showed a healthy improvement. Member Clubs taking less than £150,000 have fallen from 63% to 54% and those earning over £150,000 have increased from 37% to 46%.

The following diagram illustrates average bar and rate costs. Note that it is not possible to report on net profit due to many Members Clubs choosing not disclosing this figure.



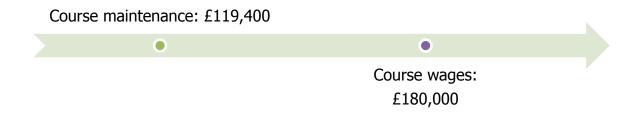
### **Utility Costs**

Average utility costs vary significantly across Members Clubs. However, averages are as follows – with electricity and gas showing increases on 2013 figures, but water costs falling and combination costs rising notably.



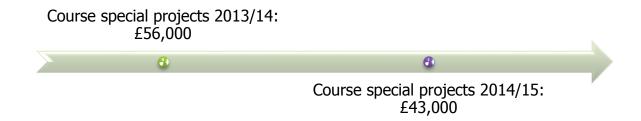
### Course Maintenance and Wages

Maintenance costs increased substantially in 2014 – from £96,500 in 2013 to £119,400 - though wages have stayed the same at £180,000. Overall, costs are much higher than in Proprietary Clubs.



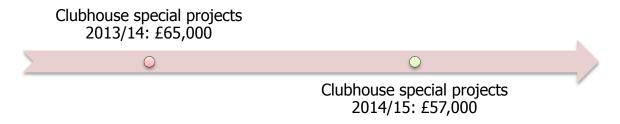
### **Course Special Project Costs**

In overall terms spending on special project course costs was slightly down in 2014, falling from £59,000 in 2013 to £56,000.



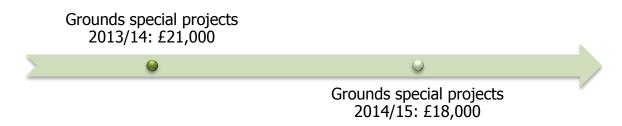
### Clubhouse Special Project Costs

In overall terms spend is up on previous years on special project course costs, rising from £59,000 in 2013 to £65,000 last year.



### **Grounds Special Project Costs**

There was no data in 2013 to compare against, but the results from 2014 showed that Members Clubs spent £21,000 on grounds special project costs.



# **Equipment Special Project Costs**

In overall terms spending was slightly up in 2014 on previous years in terms of special project equipment costs, rising from £38,000 in 2013 to £41,000 last year.

# Equipment special projects 2014/15: £52,000

### Clubhouse Maintenance Costs and Staffing

Clubhouse maintenance costs were an average of £95,000, which was significantly higher than the equivalent averages in 2012 and 2013.

Clubhouse staff wages among Members Clubs came in at an average yearly figure of just over £114,000, lower than the £118,000 recorded in 2013.

### Franchise Catering

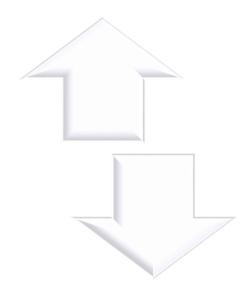
As in 2013, some 53% of Members Clubs used a franchise for their catering needs. This remains a percentage far higher than that of Proprietary Clubs, which was found to be 17%.

Among those Clubs who cater without the services of a franchise, revenue levels for own catering range from zero to in excess of £250,000. For 55% of establishments with their own catering, this income typically exceeds the £150,000 mark – a drop in comparison to the 77% recorded in 2013.

As in 2013, profit margins range from less than 20% to 60% plus, with 50-60% emerging as a typical percentage.

### Club Surpluses and Deficits

Among Members Clubs, the highest surplus figure was £175,000, while the biggest deficit was £40,000 in 2014. The average surplus was around the £36,000 mark, identical to that recorded in 2013 and in line with our recommendations.



### **VAT Recovery**

As anticipated, Value Added Tax (VAT) recovery figures among Members Clubs remained most frequently in the 15-30% and 30-45% ranges in 2014, though this figure is likely to change in 2015 and beyond. A slightly lower figure of 67% (almost 80% last year) recovered VAT in one of these categories.

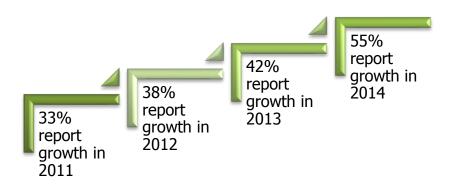
#### Annual insurance

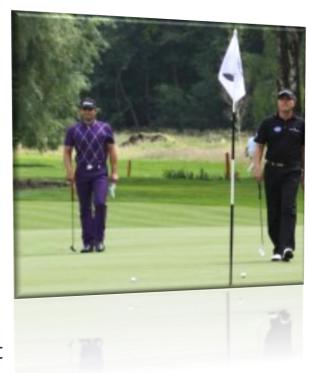
As in previous years, in 2014 Members Clubs were typically paying between £5,000-£10,000 for annual general insurance (61%). Some 6% paid up to £5,000 and 24% spent between £10,000 and £15,000. Interestingly, a rising proportion of 10% (previously 5%) of Members Clubs paid in excess of £15,000.

# **Business Development**

### Reported Growth

The percentage of Members Clubs reporting growth in various areas has steadily risen year on year since 2011, climbing from 33% to 55% currently. This year there has also been a decline in the percentage of Clubs that are reducing, falling from 14% in 2013 to 6% in 2014.





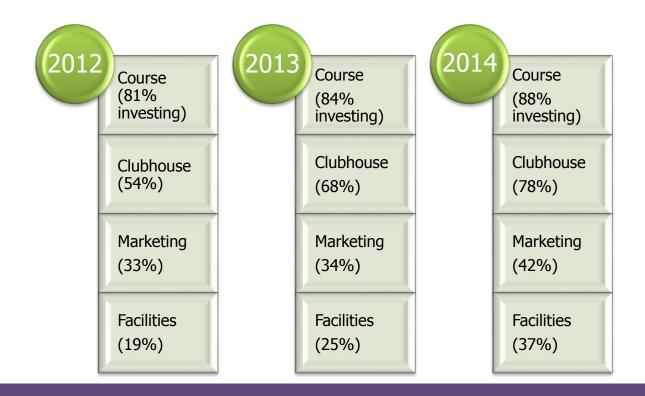
### Marketing Investment

Whereas in 2013, when most Members Clubs were investing in marketing (82%), in 2014 this appears to be closer to 50%\*. Networking, advertising, events and special offers are all frequently highlighted as types of marketing undertaken. Each of these marketing methods is selected because of its perceived effectiveness, peaking with advertising and special offers. Tellingly, the percentage of Members Clubs who operated a two-for-one scheme dropped again in 2014, from 26% in 2012 to 18% in 2013 and 11% in the last 12 months – fewer than evident in Proprietary Clubs. These schemes generate a maximum of only £1,000 per year, and in one case a Members Club reported a loss.

\*Note that some Members Clubs left this question unanswered so we have assumed they do not market themselves when in fact they may well do.

### Focus on the Golf Course

Ploughing money in to the courses themselves continues to be significant. Indeed, across all four potential areas of investment increased percentages were evident in 2014.

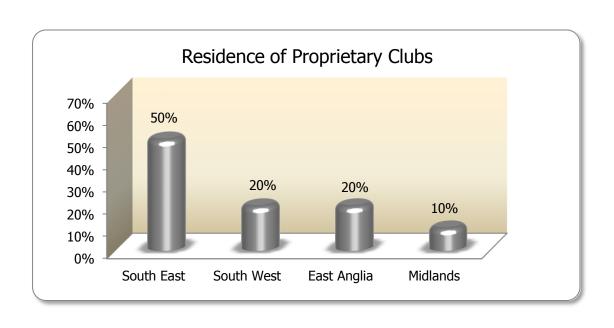


# Proprietary Clubs Results 2014

# 10 Clubs, Typically with 18-hole Courses

This year we bring you data from 10 Proprietary Clubs from across the South East (50%), South West (20%), East Anglia (20%) and the Midlands (10%).

These represent predominantly 18-hole Clubs, with 27-hole and 36-hole Clubs also represented.

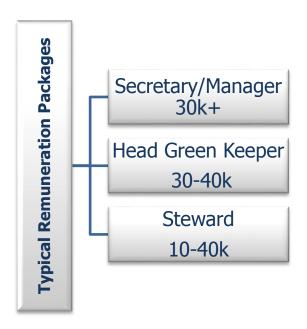




# Staffing

These survey respondents had varying remuneration packages – with 60% over £40,000 – though they were generally higher than in Members Clubs. A factor here could be that sometimes owners' remuneration packages are considerably more generous.

As in 2013, the head green keeper remuneration package was most frequently priced at £30,000-£40,000 (60%) in 2014, though that figure decreased slightly on previous years, while steward remuneration was again more evenly spread across a range of £10,000 to £40,000.



#### **PGA Professionals**

8 of the 10 Proprietary Clubs indicated that they had a PGA professional, in line with most Members Clubs. 6 of the 8 pay their professional a retainer, ranging from £1,000-£2,500+, and most typically in the £1,500-£2,000, with most also offering free premises.

**Proprietary Clubs typically offer their PGA professional free premises in addition to a retainer.** 

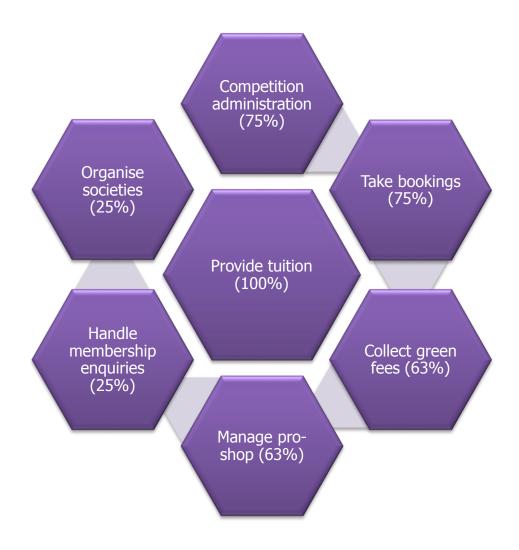
#### Professionals' Commission Rates

A decreasing percentage of 13% Proprietary Clubs now pay commission to their professional.



#### **PGA Pro Duties**

Where PGA professionals are present, they continue to undertake a number of duties for Proprietary Clubs, focusing on tuition provision, and supplemented by competition administration, taking bookings, green fee collection, and pro-shop management as typical duties.



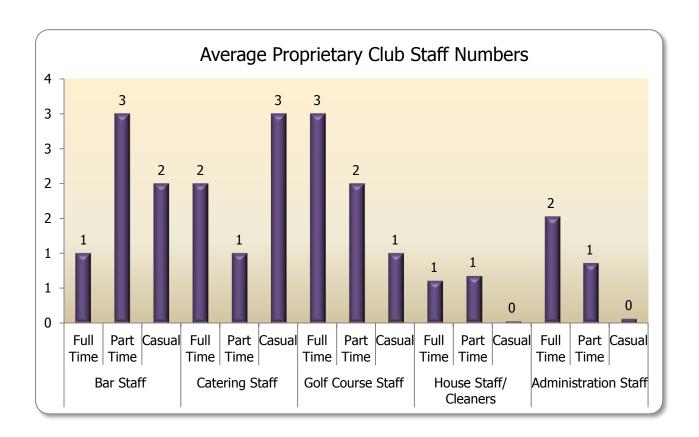
### Staff at Proprietary Clubs

ion

22

Always highly variable and dependent on the size and needs of each Club in question, staffing figures range from three to 40 across Proprietary Clubs, with an average total staffing number of 20 – very slightly less than the 21 found in 2013.

Average numbers across staff roles are broken down below. The most notable differences compared to 2013 are a rise in casual catering staff (from zero to three) and a fall in full-time golf course staff (from seven to three). This may simply reflect this last year's respondents and is similar to Members Clubs.



### **Members**

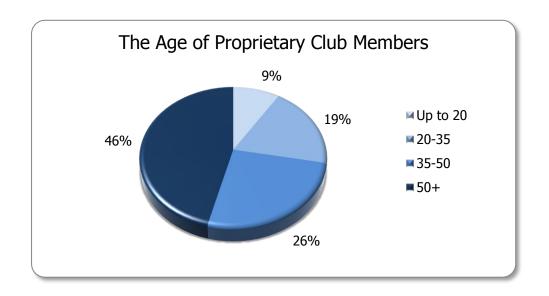
As in 2013, between 100 and 500 members proves typical for (50% of) Proprietary Clubs. A further 38% have 500-600 members, while the remainder (12%) have 600+ members. These figures suggest an increase in the number of members compared to 2013.

# Limiting Membership

50% of Proprietary Clubs suggest a cap on their number of playing members, a significant reduction from the 90% in 2013. Suggestions for this limit vary between 300 and 700.

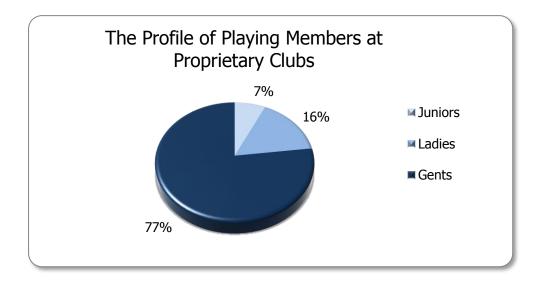
### Member Ages

As shown in the following chart, and paralleling the findings of 2013, the age distribution of Proprietary Club members shows lower numbers of younger members (in lighter shades), and a greater number of older members – aged 50+ (shaded darker). However, note an increase in the percentage of members aged 20-35, which has risen from 7% in 2012 to 19% in 2014. This has been offset by reductions in the numbers of older members, primarily in the 35-50 range, which have fallen from 34% in 2013 to 26% currently. This reflects the "feeder" nature of membership that seems to have increased in the last 12 months.



#### Ladies & Gentlemen

As shown in the following chart, and again aligned to the findings of 2013, the gender distribution of Proprietary Club members shows lower numbers of lady members and junior members, and more gents. Over three-quarters are adult males, with fewer junior and female members. The number of lady members has fallen compared to 2013, from 21% to 16% in 2014, disappointingly. This is surprising as Proprietary Clubs are normally better at attracting lady players.



24

# Female Membership Increasing?

Despite the findings on the previous page, over 60% of Proprietary Clubs say that their female membership has been increasing – a finding bolstered thanks to no restrictions on lady member usage.

#### **Ladies Rates**

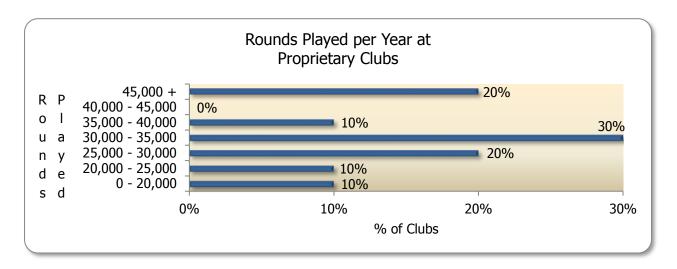
However, following on from above, none of the Proprietary Clubs surveyed offered reduced rates for lady members in 2014. Perhaps a discount for females would attract more players.

#### **Social Members**

In 2011, just 20% of Clubs had a social membership that exceeded 25, despite the fact that Proprietary Clubs undoubtedly benefit from increasing social membership levels, with an anticipated positive impact on revenue. In 2012 this rose to 40% with a membership of 25+, before rising again to 67% in 2013. Last year the figure stood at just 23%, which we believe is misleading.

### **Rounds Played**

As in previous years, the 2014 surveys showed a large variation in the number of rounds played annually at Proprietary Clubs.



# Society Rounds

Rounds played by societies in 2014 ranged from 500 to 4,500.

# Waiting Lists

In 2013 11% of Proprietary Clubs indicated that they have a waiting list, typically of 30 people waiting for around six months. In 2014 a complete absence of waiting lists is evident, which may be due to the improved economy, as waiting list Members Clubs have increased.

# **Facilities**

# **Driving Range**

Consistent with research from previous years, 70% of Proprietary Clubs offer a driving range facility, which gleaned incomes of between zero and £25,000 or more in 2014.

Academy And More Proprietary Clubs now have an academy area, with unspecified yearly revenue.



Fees & Charges

# Subscriptions

As in 2013, membership fees for standard playing members varied significantly in 2014 from a minimum of £600, to £1,250. Note in 2014, there are no subscriptions priced at less than £600.



Among those Proprietary Clubs reporting Social Membership, typically – as in previous years – they charged between nothing to £25 in 2014. However, some Clubs charged up to £150.

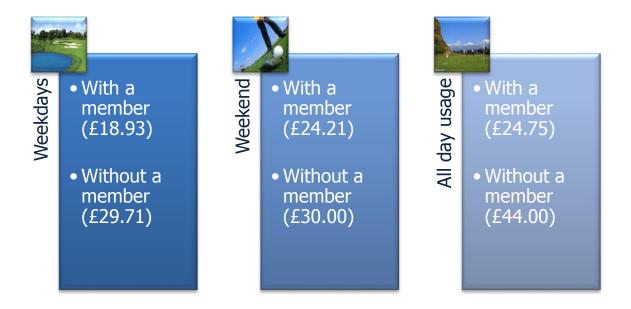
#### **Entrance Fees**

A decreasing proportion (falling from 56% in 2013 to just 20% currently) of Proprietary Clubs now have an entrance fee, ranging vastly from £20 to £500. According to the surveys submitted no Proprietary Clubs currently without an entrance fee are proposing to implement one.



### Green Fee Charges

Average green fee charges are shown below, across weekdays, weekends and all day use, both with and without members. All of these charges are lower than those of 2013.



### Extremely Varied Green Fee Incomes

As in 2013, incomes from green fees are extremely diverse, spread across the income spectrum, from £40,000 to over £140,000.



Society Packages

Note that society package costs are lower than in 2013.

As in 2012 and 2013, Proprietary Clubs offering society packages feel that two aspects impact most significantly on these:



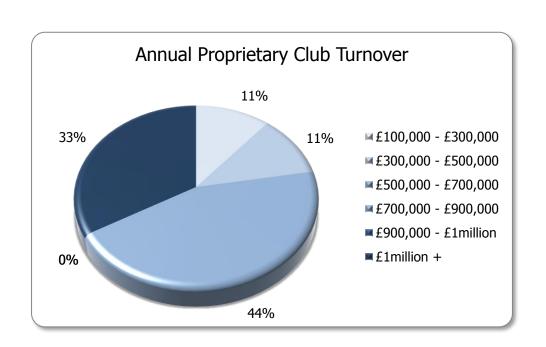
### Room and Facility Hire

Of those Proprietary Clubs providing room hire figures for Members and for Member sponsored events, many indicated that this was free of charge whereas non-member room hire ranged from £50 to £500.

### Neighbouring Clubs Charges

Just 10% of Proprietary Clubs charge a match fee to visiting teams from neighbouring clubs. Those who do, charge £15. Among those who currently don't, around a third would consider the possibility of introducing this.

# Financial Information





The importance of bar usage as an income stream should not be underestimated. However, compared to 2013 when 80% of Proprietary Clubs were taking in excess of £100,000 in this area of business, none now report doing so.

The following diagram illustrates average bar and rate costs. These should be regarded as indicative of only those Clubs who chose to disclose figures – with a majority choosing not to do so. It is also not possible to report on net profit due to most Proprietary Clubs not disclosing this figure.

Average Bar and Rate Costs for Proprietary Clubs			
Gross margin:	Rateable value:	Rate Cost:	
£48,500	£66,000	£33,000	

### **Utility Costs**

Average utility costs vary significantly across Propriety Clubs. However, averages are as follows:



Again, these 2014 figures should be regarded as indicative only, due to the low number of Clubs choosing not to disclose.

Typically £63,000 is spent on maintenance and over £122,000 on wages for Propriety Clubs.

Course maintenance: £63,000

Course wages: £122,000

### Course Special Project Costs

Most Clubs chose not to provide this data.

# **Special Project Costs**

Most Clubs chose not to provide this data.

### **Grounds Special Project Costs**

Most Clubs chose not to provide this data.

### **Equipment Special Project Costs**

Most Clubs chose not to provide this data.

### Clubhouse Maintenance Costs and Staffing

Few Clubs provided an indication of Clubhouse maintenance costs. Those who did, yielded an average per annum figure of around £7,000 - significantly lower than the £28,000 evident in 2013.

The same is evident with clubhouse staff wages in 2014, which came in at an average yearly figure of £133,000.

### Franchise Catering

One in every 10 Proprietary Clubs used a franchise for its catering needs in 2014, continuing the downward trend previously evident.

Among those Clubs who catered without the services of a franchise, profit margins ranged from less than 20% to 70%, with 45% emerging as a typical percentage - a figure lower than that recorded in 2013 (65%).



### Annual Surpluses & Deficits

In Proprietary Clubs, the highest surplus figure was up to £40,000, with a highest deficit of £93,000. It is difficult to draw any conclusions from the minimal data collected in this area.



### **VAT** Recovery

Just 4 Proprietary Clubs reported VAT recovery figures. Two Clubs reported 0-15%; one 15-30%; and one 30-45%.

Significantly, in most cases, 100% recovery for almost all Proprietary Clubs would be expected.

#### **Annual General Insurance**

As in 2013, Proprietary Clubs are typically paying up to £10,000 for annual general insurance (83%), with slightly more at the higher end of this category.



# **Business Development**

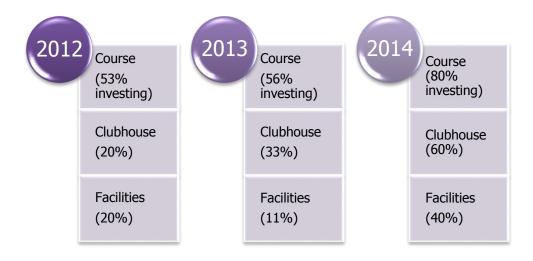
The percentage of Proprietary Clubs reporting growth has ranged from 54-67% over the last four years, with a healthy 64% recorded last year. Consistent with this, in 2014 this figure stands at the upper end of this range. No Clubs currently feel that they are reducing.

### Marketing Investment

The vast majority of Proprietary Clubs continue to invest in marketing, typically using advertising, special offers, networking and email campaigns as the most frequent types of marketing undertaken. Each of these methods is selected because of their perceived effectiveness, peaking with special offers. Just two Proprietary Clubs operated a two-forone scheme, with one reporting additional generated income of £5,000.

### More Proprietary Clubs Investing

Compared to 2013, more Proprietary Clubs are now intending to invest in their courses and clubhouses.



# **Key Messages**

### **Future Trends and Recommendations**

While in 2014 we saw some progress it was not universal across all clubs. However, we believe that with the right impetus all establishments can move forward. Some of the key areas continue to be:

- Increased marketing activity
- Recognition of members' needs
- Improved usage of facilities e.g. some clubs are now installing gym facilities for their members
- Continuing to control costs and review all avenues for cost savings

We hope you find the above report interesting, as in previous years. 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.

#### **Contact Details**

#### **Robert Twydle - Principal**

Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

**DD:** 01923 634410

**Email:** robert.twydle@hhllp.co.uk

#### **Aylesbury**

Ardenham Court Oxford Road Aylesbury Buckinghamshire HP19 8HT

#### London

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

#### **Milton Keynes**

Chancery House 199 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1JL

#### **Watford**

Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

#### 08452 770660

info@hhllp.co.uk

www.hillierhopkins.co.uk