

WEYMOUTH GOLF CLUB

MINUTES OF THE FINANCE MEETING

Wednesday 9th December 2020 at 4.00pm

HELD AT WEYMOUTH GOLF CLUB

PRESENT:

Colin Huckle – President, Dave Picton – Captain, Graham Vile – Greens Chairman, Jim Sinclair – Projects Chairman, Simon Etherington – House Representative and Steve Dewey - Finance Chairman.

APOLOGIES:

Pat Crane – Vice Captain & House Chairman.

MINUTES OF MEETING 20th July 2020

These were approved. Proposed – Colin Huckle & Seconded – Jim Sinclair.

FINANCE:

Review of current Financial Position, forecast year end position, revised 3 year projections, liquidity, cashflow & capital expenditure for 2020

Steve Dewey summarised the Clubs present financial position as at October 2020 & the projected end of year situation. Subscription levels & membership numbers have fallen back very slightly but our income in this area is only expected to be £8/9k below the budget set earlier in the year & before we waived the 2020 increase of £20 for anyone paying in full after the outbreak of the Covid 19 pandemic. However most other areas have been hit harder than we hoped in July's meeting as the pandemic has continued to affect our operation. Overall, it is anticipated that our income budget will be £80k below original forecast with - Green Fees £34k, Hardy Bar (WGC) Ltd £17k, Franchise fee £9k, Gaming Machine £8k and Ancillary etc £4k shortfalls. We have received other forms of income which have offset some of the shortfall such as - £26k Wessex Water rebate (ongoing dispute for 2 years), £3k Dorset Council Local Restriction Support Grant (relates to November lockdown) and £30k from the Government Furlough Scheme. Additional grants of £10k R&A and £2.5k Dorset Council were also received but they are ringfenced towards the costs of the new buggy path on holes 1-8. All areas of expenditure are expected to come in on or below revised budgets. The additional costs to tarmac the buggy path after the receipt of the R&A and DC grants were agreed subsequently.

The net effect of the above is that the Club will generate a small cashflow surplus, before depreciation & excluding the Buggy Path Development fund contribution, of between £3-5k. Our HP & lease capital repayments for the year will amount to £31.3k and our liquidity position will therefore be affected by approximately £30k from the end of 2019. This is still better than we could have been facing & the initial concerns at the outbreak of the Covid-19 pandemic earlier in the year.

Revised projections for the 3 years commencing 2021 were presented & discussed at length. It was accepted by all present that 2021 will continue to be a difficult year with many of our income streams specifically Bar, Catering Franchise & Green Fees unlikely to return to previous levels.

The Clubs liquidity as at the end of December 2019 was £73k. As outlined above this is likely to reduce by approximately £30k from 2020 trading. Revenue in 2021 is very likely to be down to around £450/460k depending upon the decision regarding subscription fees and this will determine if the Club will need to make cut backs in costs & expenditure. Our expenditure would under normal circumstances amount to £490/500k before our HP capital commitments of £26k. This would lead to a further cashflow deficit of £55/60k which the Club cannot sustain.

2021 Subscription & Ancillary Fees

There was a lengthy discussion regarding the 2021 Subscription fee and after taking in to consideration all of the above financial information it was agreed that we should consult with the membership about the fee remaining at £760. Whilst it was recognised that this was going against the commitment given to the membership earlier in the year, many members had already indicated to Directors of the Board that the priority should be the survival of the Club. The President will do an open letter communicating this to the membership with additional financial detail from Steve Dewey explaining our financial situation.

Proposed - Simon Etherington & Seconded - Steve Dewey

Ancillary fees were examined & it was agreed that they should all remain at the 2020 level.

Proposed – Graham Vile & Seconded – Jim Sinclair

Green Fees were discussed & it was agreed that these would be reviewed by the Golf Committee in March before the commencement of the 2021 season. Bar & Kitchen prices were also discussed & it was agreed that these would be reviewed with the Bar Manager & Leigh Picton (the franchisee) early in the new year after considering any likely increase in cost of sales for both Hardy Bar (WGC) Ltd & Hardy View Catering Ltd as a result of the Covid pandemic. It was unanimously agreed that the members discounts should remain at 20% for the Bar & 10% for Catering.

The Catering Franchise contract expires in April 2021 & the Chair of House, Pat Crane will come back to the Board with any suggested change to the Franchise Fee when negotiating with the Franchisee.

Capital Expenditure for 2021

Capital expenditure for 2021 was considered. It was originally planned to purchase a new Greens mower & look at some further items in the 5 year plan. It was agreed to delay any further capital costs until after our subscription income position is known in mid-May.

AOB

Office Review – Steve Dewey reported that he had carried out a full review of the office operation & procedures. A comprehensive audit of all practices & systems has been documented with a detailed look at existing MI & data produced. All Board members have been requested to read the review over the next few weeks so that it can be discussed fully at a Board meeting in January.

Grant Payments – As detailed above, the following grant payments have been approved/received - £10k (Covid 19 Support Fund) from R&A and £2.5k from Dorset Council towards the cost of tarmacking the buggy path. The Dorset Council have agreed a Local Restrictions Support Grant regarding Covid Lockdown 2 of £3k.

Greenkeeper Probationary periods – Graham Vile reported on the pleasing progress of Rob Mabb & Jimmy Hallett. They have both come through the past 6 months very positively, achieving & completing everything asked of them. Graham recommended that both of their probationary periods finish & they are issued formal contracts with salary adjustments as previously documented for their Head Greenkeeper & Deputy Head Greenkeeper roles. Unanimously agreed.

Cleaning Contract – It was agreed that another review of this is required. Pat Crane & Simon Etherington will look at this in early in the new year.

CASC – Steve Dewey reported that the Club is continuing to meet the Income Condition revised in the 2015 update and also the Participation Threshold of 50% minimum by members. The 2020 figures detailed below. There is no specific format outlined in the CASC guidance notes as to how data should be recorded. It was therefore agreed when Covid-19 restrictions are eased we would enquire at Local Authority/CASC Regulator & invite them to examine our records to ensure we are abiding by all regulations.

12 months to 31st March 2020 – £85,587 Non-member trading income & Member Participation 80%+

12 months to 30th June 2020 - £58,071 Non-member trading income & Member Participation 80%+

12 months to 30th September 2020 - £55,061 Non-member trading income & Member Participation 80%+

12 months to 30th November 2020 - £47,343 Non-member trading income & Member Participation 82.4%

Meeting Closed 6.20pm