



ANNUAL REPORT

**Year Ended
30th November 2020**

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Key schedules from the Annual Accounts to 30th November 2020

1. Captain's Report

Having proudly assumed the Captaincy at the AGM in mid-February little did I think that evening would be one of the last mass gatherings in the clubhouse that year. We'd never heard of social distancing and Covid-19 seemed to be something which was only a problem in China. Nearly 12 months on, the world has changed dramatically, and it certainly wasn't the first year of Captaincy I had envisaged, nor did I expect to be chairing every committee meeting on Zoom. Fortunately, the game of golf has been one of the positives to emerge from the pandemic with increased participation across the country and thankfully that has been the case at Peebles Golf Club. Collectively, we have turned around a very challenging year into one which we can reflect on with great pride, with a cautious but healthy outlook.

Among the many positive aspects has been the volunteering effort undertaken by many members of the club, with an army of individuals stepping up to the plate and going the extra mile when it really mattered. From the initial support provided to our greenkeeping team during lockdown to keep the course and its surrounds maintained, to preparing the club for reopening at the end of May with those involved in painting, tidying and sprucing up, it was encouraging to see so many people work together as part of a team. Throughout the season, committee members and sub-committee volunteers have worked hard behind the scenes on a variety of important projects and activities, with a real sense of community spirit emerging. This is hugely significant for a club like ours and while we have a great team of staff, there is never enough resource to fulfil the many tasks that are required to run a busy golf club. I would like to thank everyone involved for giving up their time during this most challenging of years and I'm confident that ethos will continue into 2021 with the 'can do' culture that has undoubtedly developed.

As highlighted in our regular communications, the golf course has been in excellent condition throughout the year and the durability of our greens has never been better, testament to the work of our greenkeepers. The first weekend of reopening in May presented a number of challenges with the volume of traffic coupled with the lack of water, but the greens recovered well in time for the delayed start of the competitive season. We continue to invest in new machinery to improve the condition of the course and our new member of staff starting early this year will be a welcome addition for Stevie and the boys. The course is our number one asset, and the Board are placing increased emphasis on this to ensure we maintain it to the highest standards possible. The golf course being full all day, every day for a large part of the year was a fantastic problem to have, but it did create increase wear and tear around the teeing grounds in particular and this is an area we will look to address, together with improved drainage as part of our ongoing winter programme.

The area of our business hardest hit by the pandemic was undoubtedly the clubhouse, with the bar and catering significantly impacted by the restrictions. Financially, the impact was negated by the furlough scheme and various grants as detailed later in the report, but we are likely to face challenges well into this year. Our catering partners Harry's View have still not had a clear run since taking over and every time they appeared to be making good progress, they were hit with a new restriction or lockdown. Hopefully come the start of the new season, there will be light at the end of the tunnel and we can start to see a busy and thriving bar, lounge and restaurant, with the support of a wider section of our membership and local community.

On the playing front, Craig Howie was the pride of the club, performing at the top level of the European Tour and making the most of his opportunities on the big stage. He had us all on the edge of our seats as he held the lead at The Belfry in the ISPS Handa UK Championship, only to just miss out on a play-off and finish in 5th place. To watch a local lad, grow from a young junior and develop into a top-class professional gives us all a great sense of pride and we look forward to seeing him achieve even more in the coming year. Younger brother Darren also grabbed the headlines with his incredible course record 59 followed by victory in the Club Championship Final, which inadvertently was probably one of the biggest sporting crowds in Scotland last year. Darren, along with fellow Scotland international Stephen Roger, will hopefully have more national opportunities to look forward to and we know how hard they have both worked at our driving range and short game area over the past year.

As we stared into lockdown on what was supposed to be the opening weekend of the season last March, little did we think we would see much competitive golf but that was turned on its head when we did restart. Huge credit must go to Mary McIntyre and the Match & Handicap committee, together with pro Steve Johnston, assistant Bob Allan and the office team for facilitating all the competitions we enjoyed between July and November. We had record numbers playing, with regularly more than 150 men and women each Saturday, and often over 100 on a Wednesday, which was fantastic to witness – the only issue was trying to get a tee-time!

With golf one of the few sports people could participate in – which is indeed still very much the case at present – demand for play reached unprecedented levels, with the tee booked all day, every day for the most part. Indeed, data from our online BRS booking system indicates a 44% increase from 2019 to 2020, and a remarkable 84% increase for the 6 months from 1st June. This suggests the majority of our members were able to play more golf and get great value for their membership.

With more opportunities to play and practice, we saw many handicaps tumbling down and I'm sure you are all looking forward to getting to grips with the new World Handicap System and your new handicap in the months ahead. Congratulations to all golfers who won silverware last season, albeit with no presentation night to celebrate your achievements.

Another hugely pleasing aspect of 2020 was the number of new members joining the club and hopefully you have all enjoyed your first-year experience. It was evident that many of you got the 'golfing bug' almost immediately, particularly some of the younger members who certainly made the most of the long summer nights. Working from home meant more time to play golf for those who previously had to endure the commute to Edinburgh, and if this is the new norm then long may that continue. Golf has proved to be one of the safest and healthiest sports during the pandemic and I would urge you all to encourage your non-golfing friends to give it a go. Our pro Steve Johnston is planning to host more 'Get into Golf' tuition this year, which is a great way of getting started and as detailed at the end of the Report, we have a members' incentive which rewards you when you introduce a new member to the club.

Financially, we have reported a surplus of £59,000, which is a dramatic turnaround to the situation we faced back in March. This is a major achievement and testament to the work of our Board, Club Secretary Alan Frain and thanks to the fantastic support from our members, sponsors and other contributors.

There have obviously been exceptional circumstances and some which we have in fact gained from, but we want to build on this position of strength and maintain our financial health and sustainability. This will mean an increase to membership fees, but we believe Peebles Golf Club offers fantastic value, with an exceptional course and a community of people to proud of.

You can read about our finances in more detail within the Finance Report, together with the contributions of our other convenors over the next few pages. I would like to thank all convenors and committee members for their input, as well as our hard-working office team and clubhouse staff.

I look forward to your continued support in the year ahead and hopefully a smoother twelve months ahead.

Gavin Carruthers
Captain

1.1 Major Club Competition Winners 2020

Men's Champion – Darren Howie	Ladies Champion – Sheila Cuthbertson
Junior Champion – Frankie Masson	Ladies B Champion – Susan Brown
Men's B Champion – Callum Waldie	Ladies Centenary Trophy – June Salsman
Men's C Champion – Vic Roberts	Captain & Vice Captains Trophy – Ross Duncan
Thorburn Cup – Mark Cowan	Eugene Turnbull Trophy – Fearghas Lowther
Centenary Trophy – Jamie Mackay	Stewart Shield – Donald Nisbet
Kenny Allan Trophy – Stephen Roger	Captain's Putter – Stuart Pender
Ford Trophy – Kevin Wood	AT Kyle Trophy – Kevin Wood
Tweeddale Motors Trophy – Ian Campbell	Peebles Masters (Juniors) – Callum Waldie

1.2 Notable Player Achievements

Craig Howie:

Making the most of his opportunities on the main European Tour, Craig enjoyed his best season as a professional in 2020 and started to make his mark on the big stage competing alongside the elite names in golf. He had us all on the edge of our seats as challenged for the lead on the final day of the ISPS Handa UK Championship at The Belfry, posting a superb final round 65 to eventually finish tied 5th, just two shots behind the winner Rasmus Hojgaard. He performed well on home soil at the Scottish Championship at the Fairmont and also finished 4th in the Austrian Open, 21st in the Welsh Open and T25th in the Dubai Championship, ending the season in 144th place in the Race to Dubai Order of Merit. After a great start to what became a very abbreviated Challenge Tour season, he finished 18th in the rankings after tying for the 16th place in the Challenge Tour Grand Final and has moved up to No. 411 in the latest World Rankings.

Darren Howie:

With all elite national championships in Scotland scrapped, it was a frustrating year for Darren on the national stage, but it gave us the chance to watch his talents at close quarters in Peebles. After a string of low scores, he broke his own course record with an incredible 11-under 59 on Wednesday 15 July, becoming the first player at the club to go below the magical 60. He also won a fantastic Club Championship Final, beating Jamie Morris 4 and 3 and closing out the match in style with three consecutive birdies. In one of the few elite amateur events staged last season, he successfully qualified for the match play stages of The Amateur Championship at Royal Birkdale, reaching the last 16. His handicap is now one of the lowest in the UK at plus six.

2. Convenor Summaries

2.1 Greens Report

Before the season could get started properly, we found ourselves in lockdown and industry regulations would only permit basic maintenance of the course. As a result, we took the opportunity to access the furlough scheme, with Steve Borthwick remaining on site and working on his own. He did a fantastic job and we looked on in envy at such an inviting course whilst taking our daily exercise.

The lockdown period was particularly dry and without the normal programme of fertilisation and watering, the greens were vulnerable to the mini heatwave we experienced in the week leading up to the resumption of golf. The team worked hard to restore the quality of the playing surfaces and continual progress was made as the year progressed. This was evident in autumn, beyond the end of the normal season, with the greens producing a good speed and consistent roll.

Over the last few years, our focus has been on improving the playability of the course all year round. For a parkland course, the drainage properties of the greens are excellent and despite the wet Q4, the fairways have held up relatively well. The voluntary use of fairway mats has been well received and is helping to protect the fairways from fragmented divots that are difficult to repair. With the course remaining busier than usual during the off season, the focus of the winter programme is on improving drainage to minimise the wear and tear on walkways. This work itself has been hampered by the wet weather conditions but is a priority area that will remain in focus in subsequent years to facilitate access to an otherwise playable golf course.

We have recognised for some time that the course would benefit from augmenting the team from three to four qualified greenkeepers. I am therefore delighted that we have taken the opportunity to recruit Jack Philips from Cardrona, who will start with us on 1st March. Jack is a qualified greenkeeper, a keen golfer and worked previously with Lewis Thomson, when he was at Cardrona.

This additional resource will enable the team to focus on the finer tasks, beyond the basic grass cutting, that will improve the quality, playability, and presentation of the course. For example, a common criticism has been the pace of the greens, particularly early in the season, and whilst the height of the course will always remain a limiting factor, the team is confident that it can improve on this aspect of play. Similarly, whilst our watering system has restricted capacity, the team will now be able to deploy it more proactively.

For a club of our size, we now have a good range of greenkeeping equipment, but this requires ongoing investment on an annual basis to maintain the current level of quality and reliability. This year we are investing £20,000 of cash in new equipment, principally a turf iron and a greens/tees mower. We benefit from Steve's knowledge of the market and his ability to source nearly new and second-hand equipment at a discounted price. You will note that the purchase of the turf iron supports our focus on improving the pace of the greens.

I would finally like to thank the many volunteers that have come forward to support the greenkeeping team in managing a variety of time-consuming tasks. The collection of range balls and the regular repair of divots has been a massive help to the team and is much appreciated. In closing, I would like to thank Steve, Lewis and Jacob for their hard work and dedication throughout the year. We are fortunate to have such a capable team that is keen to work constructively with the club.

2.2 Junior Report

2020 promised to be a busy year for our Junior Programme, with commitment to fortnightly group coaching for children spanning from P1 – S2, our first time participating in the Junior Golf Sixes, which is a fun competitive format for juniors

without handicaps, the 18 Steps group coaching for juniors ready to acquire handicaps, regular competitions throughout the season and Junior Team participation. Unfortunately, those plans were all victim of the lockdown restrictions put in place back in March, and the outlook for the season ahead at that time look bleak with little hope of seeing any activity.

As it was, golf was one of the first sports to be able to return as restrictions eased, and guidelines regarding the mixing of children under 12 gave us room to resume with coaching in July. The club also attracted several new junior members, some playing golf for the first time this year but quickly getting the bug and using the course and the range on a regular basis with their friends, which was encouraging to witness throughout the year.

While we were unable to proceed with The Junior League, Golf Sixes and 18 Steps, we were pleased to safely deliver regular coaching within Covid guidelines for our youngest members, and the competitive Juniors were able to compete weekly as we completed a full season with all trophies played for. It was particularly encouraging to see some girls participating in the junior medals, with both Ellie Martin and Jenna Cleland being successful in winning events, as well as more youngsters progressing from the 18 Steps programme into competitive golf and reducing their handicaps. Our Junior Championship was won by Frankie Masson, who overcame Reuben Sterricks on Championship Finals Day back in August, the highlight of a very successful season for Frankie.

The club was proud to have been presented with The Community Champion Junior Award at the Scottish Women in Sport annual awards ceremony. This was in recognition of the high percentage of junior girls within our coaching programme as they outnumbered the boys on several occasions. Our girls success was also featured on BBC's "The Nine" show, when presenter Amy Irons visited the club to watch one of our coaching sessions and speak with some our junior members as part of a news item which when broadcast nationally presented our club in a very positive manner.

For the season ahead, we are grateful to have secured an attractive sponsorship deal with Evolution Bottling and Packaging Solutions, who wish to focus their partnership with us primarily around Junior Golf, and such sponsorship goes a long way in helping us provide a progressive junior programme. Along with individual supporters and groups such as the Bordeaux Boys, The Tams and the OddShapedBall, we want to ensure that sponsors and junior members receive value in return, and without a dedicated team of junior volunteers across all areas, that simply would be possible, and I wish to thank them all for their continued support and commitment to junior golf at Peebles.

2.3 Match & Handicap Report

Well, it has been said before and will be said again, we are emerging from a year like no other! We were grateful to get back to playing golf at the end of May but soon wanted competitive golf to return to Peebles Golf Club.

Along with the sub-committee we identified all the competitions we would like to include and went about creating a truncated fixture list. After much communication via email and virtual meetings we put together a fixture list that included most of our 'trophy' competitions including the aggregates and set about organising a timetable to

run the Championship. Being mindful that we were planning the Championship later in the season lack of light was to be our biggest obstacle, which brought about playing the first round of the Gents matches on the preceding Sunday. From the favourable feedback (and the fact that we will have a Gents Senior Championship category to add to the mix) this may be a permanent feature although the Championship will return to its former slot, the week after Beltane.

Unfortunately, we were unable to run our usual diet of knockout competitions and our summer mixed programme; both due to Covid restrictions and not knowing when they would be relaxed. We were also unable to run any of our Open competitions.

We finally made it to the end of the season having learned several new skills on the way. Most of us can now access apps on our phone to book a time slot, sign in and return competition scores.

As the summer season drew to a close, the new World Handicapping System (WHS) kicked in. This didn't just happen overnight with the wave of a wand. A lot of work went on (and is continuing) in the background with a large amount of help from the admin staff and the sub-committee. Most people will now be aware of their Handicap Index and if they have been playing in the Winter Stablefords run by the pro shop they will have an understanding of how this works. For others, the beginning of the season will be another good learning curve, but we will be there to help everyone understand the WHS.

Finally, I would like to thank the Competitions and Handicap Sub-committee for all their work behind the scenes; entering all the competitions on BRS and Clubv1, closing all the competitions, all the admin connected with issuing handicaps and just being there to field questions from the wider membership. Hopefully 'normal service will be resumed' in 2021.

2.4 Marketing Report

Regular communication with members was the primary focus for our marketing activity during 2020, given the ongoing challenges and ever-changing circumstances presented by the pandemic. We sought to keep members informed regularly throughout the year, during and post-lockdown, via our newsletters, social media channels and website and the feedback we received would suggest that this has been effective and well-received.

The website was given a facelift with the aim of making it easier to find information from the homepage, and much work was undertaken to update content on our key pages, including Visitors, Sponsorship, Catering and the Course. We had 40k unique visits to our website which was a 12% increase on the previous year.

Our social media channels continue to perform well by way of member and visitor engagement and we now have the following reach: Facebook – 1,896 followers; Twitter – 3,165 followers and Instagram – 1,059 followers. These numbers stack up extremely well against other similar clubs and many bigger clubs. We use a lot of photography and video to promote the course, which helps with member engagement and attracting more visitors.

Recruiting new members was also a priority for our marketing and we ran several Facebook and Instagram advertising campaigns when golf emerged from lockdown which contributed to attracting a good number of new members in early summer, as well as promoting key messages from the Captain and the successful Members Appeal. The club also received excellent national media coverage and we used our contacts to get featured in the Scotsman, The Herald, Golf Monthly, Bunkered and ITV Border News, as well as later in the year, BBC Scotland's 'The Nine' show.

Our marketing activity also supported the great work being done by the Sponsorship Sub-Committee, helping to raise the profile and awareness of our sponsors, through video interviews, an improved website page, social media content and increased visibility in the clubhouse. It is important we offer our sponsors value for money and this work will hopefully contribute to attracting and retaining more sponsors.

The Howie brothers once again kept us busy in reporting their ongoing success and it was great to be showcasing their performances through our marketing channels, particularly with Craig's outstanding efforts on the European Tour. Both players continue to be great ambassadors for the club, attracting national coverage in the newspapers and now on Sky Sports. Darren's course record 59 also attracted good coverage in The Scotsman, as well as his run in The Amateur Championship.

Looking ahead to 2021, visitor marketing will be a big priority and hopefully restrictions will be eased to allow more travel domestically. We are working in partnership with local hotels and the new South of Scotland Destination Alliance to target more golfing visitors to the region and will invest in marketing to ensure we are promoting Peebles Golf Club to the right audiences, while continuing to ensure we increase our profile locally, nationally and internationally.

2.5 Social Report

In February 2020, we formed the Social Sub-Committee and had our initial brainstorming of ideas and initiatives. Ironically, our very first face-2-face meeting was in March, the very day that the lockdown was announced. During these meetings, we generated nearly 40 ideas of social events to generate business for the club, both Catering and the Bar. Sadly, through the events that unfolded, we had to stand down the sub-committee when it became clear it would be impractical to organise such events. I want to thank all volunteers who stepped up to help in the Social Sub-Committee during 2020.

Looking forward to this year, and the hope the vaccine brings, post the 2021 AGM, we hope and expect to re-engage the Sub-Committee and look forward to organising events for the club and its members. We hope again that we can attract volunteers, who want to be part of this sub-committee during 2021. Please contact the office if you have the time and want to help brainstorm and organise social events during 2021.

2.6 Sponsorship

Firstly, I want to thank and congratulate our extremely generous sponsors for their support during 2020, which by any stretch was an extremely challenging year for everyone, the Club, the Members and of course, businesses in and around Peebles. Despite these enormous challenges, our sponsors, old and new, really stepped up to the plate and ensured we had our highest ever sponsorship total for many years. A

very warm and heart felt thank you to every single sponsor and the Sponsorship Sub-Committee volunteers.

In February 2020 we formed the Sponsorship Sub-Committee with membership growing quickly to its level of today, including Alan Frain, Colin Brown, Eric Mapp, Keith Macintosh, Les Biscomb and Warwick Brown. From the very start we conducted meetings via ZOOM, and quickly developed a Terms of Reference and a detailed plan of action to change the modus operandi to a relationship-based approach. During 2020, we “met” with all our sponsors to clearly explain this change and our aims and objectives, which were met with warm praise and a generosity of spirit by each sponsor.

Part of this change is to ensure that our members clearly know who our sponsors are, and we have produced several video presentations of our sponsors, playing in both the lobby and club bar, as a thank you to each one of them. I want to thank Ross Duncan for his time, ideas, and energy that he has put into helping the sub-committee in this matter.

As well as maintaining 90%+ of existing sponsors, we also secured 6 new sponsors during the 2020 season. Some of our existing sponsors were unable to engage during 2020 season as a direct result of the pandemic, which was entirely understandable. In addition to providing significant revenue for the club, our discussions with sponsors resulted in many instances of supplying the club with artefacts and objects needed to improve the club’s appearance and stature. These included a new main flag, new flags and pins for the greens, new tee cup collectors, new tee board banners and new balls for the range. We closed 2020 with a final revenue total of £16,639, with outgoings of £3,333 (*for items listed above*), delivering a total profit to the club of £13,306.

We cannot close 2020, without mentioning the crowd-funding the sub-committee ran for 3 months during the pandemic. Thanks to the amazing generosity of our members (and some non-members), we were able to raise over £11,000 in less than 3 months. We always realised and accepted from the outset, that many members would not be able to contribute due to pressures of not being able to work. Of this £11K, every penny withdrawn from the crowd-funding platform (*the platform charges a small admin fee*) went into the accounts of Peebles Golf Club and whilst we are fortunate that the financial performance of the club bounced back on the resumption of golf, the generosity shown by our members has ensured that the club is now better placed to cope with unforeseen circumstances in the future.

Finally, we are looking forward to 2021, and beginning again, the journey to raise funds for the club, and looking to have a great year delivering value for our sponsors and our members.

3. Membership Information

Regrettably, the Club must report the passing of the following members:

Derek Young

Derek was a long-standing and passionate member of both Peebles and Gullane and a real golfing enthusiast. He was an active member of the committee for many years, serving as Captain in 2010-11 as well as Greens Convenor. An accomplished and natural after-dinner speaker, Derek was a very entertaining man with a microphone in hand, regaling many golfing tales and enjoying micky-taking of audience members at various club dinners across the country.

George Thorburn

George joined the club in 1948 and was an active member over many decades. He was Club Captain in 1968, aged just 30, and Secretary during the 1970's. Latterly he'd been a non-playing member but had strong family connections with the club.

Tom Litster

One of the most prolific winners on the seniors' circuit, Tom was one of the most recognised faces in the club and certainly made the golf course his second home following his retirement in the late 1990s. A talented junior golfer, he won the Boys Championship in the early 1960s but put his golfing career on hold to work in the family business, Litster Photography, after leaving Peebles High School. Incredibly, Tom recorded no fewer than 13 holes-in-one during his accomplished golfing career, including two in the same round during a seniors match in 2015.

Donald Nisbet Senior

Donald was an active member of the club over many decades and was famed for his super-slow back swing. A former Thorburn Cup winner, Donald remained competitive until very recently and played in the C Championship final only a few years ago. His relaxed and calm demeanour concealed a very able and competitive golfer. In 2019, Donald made a significant contribution to the restoration of the millennium cairn, where he provided his time and skills to set in place the newly acquired Bronze Plaque.

Cliff Scupham

Cliff had been a popular member of the club for the last 14 years but died following a brave fight against cancer.

Dr Bruce Blyth

Dr Blyth joined the club back in 1993 and was a long standing and popular member of the club.

Jim McGinty

Jim had been a member of the club for 14 years but due to ill health, had to resign his membership in 2019. His wife, Morrie, is still a member.

All will be sadly missed.

3.1 Current Membership and Historic Trends

As of 30th November 2020, the membership of the Club was as follows:

Full Members	2020	2019	2018	2017	2016	2015
Gentlemen	251	281	303	325	321	323
Gentlemen (OAP)	87	75	76	72	77	65
Ladies	45	58	52	52	50	40
Ladies (OAP)	16	14	14	16	20	23
Young Adults / Intermediate	56	52	65	65	48	33
Youth / Students	23	2	2	2	5	3
Flexible Membership	30	N/A	N/A	N/A	N/A	N/A
Sub Total	508	482	512	532	521	487
Other Categories						
5-day members	9	10	12	13	19	23
Country	18	19	17	13	15	13
Junior	93	122	132	136	130	120
Non-Playing	14	36	55	49	50	46
Social	14	39	98	81	87	70
Associate	22	70	74	79	77	80
Complimentary	6	8	7	5	7	7
Honorary	7	7	7	8	7	7
Corporate	0	1	N/A	N/A	N/A	N/A
Sub Total	183	312	406	364	421	399
Full Total	691	794	918	896	942	886

4. Finance Report

4.1 Overview

A summary of our financial results for the last 5 years is set out in the table below:

Year ended November 30 (£'000)	2020	2019	2018	2017	2016
<u>Summary Income Statement</u>					
Member subscriptions	249	254	250	256	237
Visitor and buggy income	45	64	80	68	71
Sponsorship	17	9	13	11	13
Grants and donations	41	-	-	-	-
VAT Refund	-	-	-	111	-
Other income (e.g. flat rental, range)	16	16	23	9	-
Bar profit (1)	13	17	39	33	36
Wages (greens and office)	(107)	(119)	(130)	(147)	(123)
Overheads	(215)	(261)	(279)	(285)	(234)
Surplus \ (Deficit)	59	(20)	(3)	56	-
<u>Summary Balance Sheet</u>					
Fixed assets	534	598	671	649	462
Cash balances	230	148	129	135	207
Net Current Assets	150	57	39	25	108

(1) Bar profit includes bar sales less wages and bar purchases, as well as any commission received from our catering partners.

Refer to pages 22 and 23 for a more detailed break-down of the Income Statement and Balance Sheet.

The year presented an array of challenges for all business organisations and Peebles Golf Club was no exception. However, through the support of our members, government funding (via furlough and grant payments) and rigorous cost control, it is pleasing to report a surplus for 2020 of £59,000. This positive result has helped to restore our cash balances, liquidity levels and overall balance sheet back to a much more comfortable position.

4.2 Pandemic Impact / Membership Income

With the country moving into lockdown in March 2020, the financial outlook for the Club looked onerous with a material impact expected to our key income streams. Our outlook significantly improved however when the government announced its various forms of funding and support, and our financial position improved further following a member's appeal which raised an impressive £12,000 in donations. While those donations were ultimately not required to "save" the club, with the same thoughtfulness in which those donations were given, the Board will ensure these funds, like all other monies the club receives, are invested prudently into the future of the club.

With the return of golf in late May we then experienced somewhat of a 'bounce' effect and golf was very much in demand across the country. As one of the few permissible outdoor sports, the popularity of golf encouraged members to renew their subscriptions and this income stream was augmented by over 60 new joiners across various membership categories. We were pleased to see so many new faces in the club, which included a significant number of golfers from our young adult categories. These new members helped offset the natural annual attrition embedded within our full adult membership.

4.3 Other Income

Visitor income was naturally down on the prior year given restricted availability, but we saw a strong uptick in visitor demand later in the summer and feedback on the course, staff and facilities was very positive all round. In terms of the bar, while bar takings were significantly lower this year due to closures, this was largely offset by the lower associated costs of running the bar, and so the overall net margin was somewhat comparable to the prior year.

Sponsorship income almost doubled this year thanks to the generous support of both existing and new sponsors. The sponsorship income received this year of £17,000 has facilitated, among other things, further investment in the driving range and other course items (e.g., flags and tee cones).

4.4 Wages and Overheads

In terms of our cost base, many of our overhead costs were lower this year as a direct or indirect impact of the pandemic. Those savings included wages, cleaning costs, as well as utility, vehicle running and maintenance costs. We also terminated our SKY subscription in April due to the clubhouse closures, and this saved around £6,000. The annual cost of SKY and BT was £8,500 and we will perform a cost / benefit analysis in 2021 to consider reinstating those services when the clubhouse is operating at normal levels again.

In terms of other cost savings in 2020, we were able to reduce external accounting fees by £3,000 by moving certain accounting work in-house, and we also made savings on banking and finance charges and leasing costs.

5. Budget – Year to 30th November 2021

5.1 Overview

This section outlines the proposed budget for 2021, as summarized in the table below which also includes the comparative budget and actuals for the prior year. The budget is subject to the approval of members at the AGM in February 2021.

Year ended November 30 (£'000)	2021	2020
Budgeted deficit	(18)	(31)
Actual (deficit) surplus	N/A	59

For 2020, we achieved a £90,000 favourable variance to budget which was primarily due to the exceptional and non-recurring items (e.g. government funding) described in section 4 of this report.

For 2021, our budgeted deficit of £18,000 represents a £13,000 improvement on our approved budget for 2020. While the club expects a continuing impact from the pandemic, the budget assumes that:

- 1) the course will be open and substantially accessible to members and visitors throughout the regular playing season; and
- 2) there will be a gradual lifting of social restrictions which will enable the clubhouse to operate at near normal levels later in 2021.

These and other assumptions which underlie the budget are of course subject to a high degree of uncertainty.

5.2 Summary Budget

The table below provides a summarized breakdown of the 2021 budget relative to the comparative budget and actuals for the prior year:

Year ended November 30 (£'000)	2021	2020	
	Budget	Budget	Actual
Member subscriptions	249	249	249
Visitor and buggy income	74	74	45
Sponsorship	16	10	17
Grants and donations	7	-	41
Other income (e.g. flat rental, range)	15	17	16
Bar profit	21	27	13
Wages (greens and office)	(132)	(122)	(107)
Overheads	(268)	(286)	(215)
Surplus \ (Deficit)	(18)	(31)	59

5.3 Overarching Strategy

- The Board aims to keep membership fees as affordable to members (and potential members) as it reasonably can. In order to do so, and while at the same time ensuring the long-term financial sustainability of the Club, we must either:
 - Maintain or increase other revenue streams; and or
 - Reduce the club's cost base.
- In terms of other revenue streams, the Board is hopeful that, in partnership with Harry's View, it can turn the clubhouse into a "go-to" venue for event functions and broader community use in the future. Our ability to execute on this objective was constrained by the pandemic in 2020 but we are hopeful that we can begin to implement this clubhouse strategy later in 2021 with the support of our Social Committee. We hope that our members, family and friends will also benefit and enjoy a broader and active social offering from the Club.
- In terms of our cost base, significant work has been done in recent times to reduce and restructure the overheads of the club, and we will continue to look for further cost efficiencies in the future. That said, given the cost reductions which we have already delivered, we do not believe a further substantial reduction in overheads is either feasible or desirable. It is occasionally suggested that the club should "strip back" to a basic "starter-hut only" type operation thereby removing the costs of running a clubhouse. While there are indeed specific costs associated with the clubhouse (e.g. cleaning, utilities) that are moderately higher than the profit we currently generate from the bar, we believe the clubhouse is an essential part of the membership proposition. Without a clubhouse for members, visitors and guests to gather and socialize, we would expect a substantial loss of membership and visitor income if we were to eliminate this key provision.

5.4 Membership Fees

- As outlined in section 6, the Board is proposing moderate fee increases in 2021 with the aim of generating c. £250,000 of subscription income, including the various add-ons (e.g., locker, battery, and caddy storage). The target level of membership income is commensurate with the level achieved in the previous three years.
- The proposed fees take into consideration, among other things:
 - The forecast annual attrition of members across our full adult membership (e.g. due to age, ill health).
 - Our annual peer review of fees in comparable local golf clubs; and
 - Other forecast revenue and costs

5.5 Visitor income

- Visitor and buggy income for 2021 is consistent with our original budget for last year. Peebles remains a popular course for visiting parties and we plan to focus our marketing effort on this target market. The members' guest fee will remain at £12 with no restriction on the number of guests that a member can introduce. The only restriction pertaining to members' guests is that the guest can only play once per month, regardless of who the introducing member might be.

5.6 Bar Profit

(Bar sales plus catering commission less purchases and bar staff wages)

- The projected bar profit for 2021 of £21,000 compares to the actual bar profit of £13,000 but remains below our longer-term income objectives. We expect bar activity in 2021 to be initially impacted by the ongoing pandemic restrictions but hope for a meaningful pick-up later in the year. Consistent with prior years, the discount scheme will remain in place with a 10% cash discount for members.

5.6 Wages (Greens and Office Staff)

- Projected greens wages for 2021 of £95,000 are higher than prior years and reflects the appointment of a fourth, qualified greenkeeper. The team performed exceptionally well in 2020 but without dedicated and skilled resource during the peak playing season, was clearly stretched. Additional qualified resource will help deliver a better presented course with improved playability, particularly on the greens, whilst providing better cover for holidays and illness.
- Office wages for 2021 of £37,000 are consistent with the 2020 budget despite the office taking on additional bookkeeping work which thereby reduced our professional fees (included within other overheads).
- Note, actual wage costs in 2020 are not comparable to the 2021 budget due to the differing impacts of the furlough.

5.7 Other Overheads

- Other overheads in 2021 are projected to reduce relative to the prior year budget and will remain under scrutiny and tight control.
- We pared back spending in 2020 and reviewed contract terms with our supplier base to ensure best value for money.
- The budget reflects inflationary increases in utility and maintenance costs albeit these are partially offset by the lockdown period at the start of 2021.

5.8 Cash Flow Budget Summary

Year ended November 30 (£'000)	2021	2020
Budgeted cash inflow (before investment)	23	10
Budgeted investments (e.g. greens machinery)	(20)	(6)
Budget cash inflow (after investment)	3	4
Actual net cash inflow	N/A	82

The forecasting operating deficit for the year ended November 2021 is £18,000 which includes a depreciation charge of £41,000. Adding this non-cash item back, the projected net cash inflow for the year (before investments) is £23,000.

We are forecasting capital expenditure of £20,000 in 2021 and will take the opportunity to fund this in cash as opposed to leasing finance. The capital expenditure will be split equally across two items of greenkeeping equipment – a turf iron and a greens/tees mower.

The quality and range of greenkeeping equipment is reviewed regularly with Steve Borthwick and we have a rolling replacement programme in place. We benefit significantly from Steve Borthwick's ability to source good value "nearly new" equipment and his ability to minimise repair costs by maintaining equipment on site. Overall, we are comfortable that our greenkeeping machinery and equipment is sufficiently provisioned through the budget.

5.9 Summary / Key Takeaways

- We are facing 2021 from a position of balance sheet strength but we must continue to operate the club on a sustainable basis from year to year.
- Fees will increase moderately in order to achieve that sustainable budget, but we believe our fees remain highly competitive when benchmarked against comparable clubs.
- We will maintain close control over costs whilst maintaining an appropriate level of investment in the course and clubhouse. The investment in our greenkeeping team reflects our strategy of investing in our core asset to help retain and attract members and visitors alike.

Grant Foster
Finance Director

Alan Frain
Secretary

	2020 Actual	2021 Budget
Revenues		
Members Subscriptions	249,473	249,473
Visitors Green Fees	38,408	59,000
Range income	6,307	6,400
Buggy Rental	10,452	15,000
Sponsorship	16,639	16,000
Bar Sales	77,744	101,380
Social Event/Other Income	2,420	4,000
Rental - Caterer	-	3,200
Rental - Flat	6,902	8,500
One Off Grants	29,440	7,000
Donations	12,012	-
Profit on sale of asset	2,182	-
Total Income	451,979	469,953
Wages & Fees		
Staff wages - Greens	67,310	95,000
Staff wages - Bar	30,495	40,900
Staff wages - Office / Admin	27,166	37,000
Club Pro Retainer	13,829	13,488
Professional Fees	8,290	7,500
Total Wages & Fees	147,090	193,888
Overheads		
Course Maintenance & Repairs	12,378	13,000
Rental Expenses	14,234	15,800
Range Costs	492	500
Bar Purchases	34,901	45,450
Vehicle Running & Maintenance	7,516	11,500
Course Leasing	18,316	17,860
Rent & Rates	15,557	15,700
Utilities	11,650	21,262
Contract Maint & Cleaning	20,710	27,000
Repairs & Renewals	14,016	13,000
Satellite TV / Equip Hire	2,443	1,000
Admin (telephone, printing etc)	6,257	7,500
Computer Equip/Service	5,815	5,000
Marketing & Promotion	3,125	4,750
Subscriptions, Licenses etc	899	2,000
Insurance	5,681	6,200
Golf Union Levies	(1,579)	9,500
Competitions	(604)	(2,000)
Sponsorship Expenditure	3,333	4,000
Entertainment & Hospitality	2,328	4,000
Bank & Finance Charges	4,770	7,800
Depreciation	40,211	41,000
Unreclaimable VAT	18,832	19,000
Catering Costs	291	1,000
Training & Courses	720	500
Corp tax	3,716	2,000
Total Overheads	246,008	294,322
Surplus / (Deficit)	58,881	(18,257)

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

6. Proposed Subscriptions: 2021-22

The proposed subscriptions are tabled below. Please note that all adult playing member fees include the Scottish Golf affiliation fee of £14.50 and the Border Golfers Association fee of £2.50:

Full Adult	£560 £600	Country	£220 £250
Full Pension	£495 £535	Non-Playing	£30 £30
5 Day	£400 £450	Social	£30 £30
Flexible Membership	£297.50 £367.50	Marital Associate	£15 N/A
Intermediate Adult (30-35)	£395 £600*		
Young Adult (22-29)	£300 £400**		
Youth/Student (19-21)	£165 £200	Lockers Adult	£22 £22
Junior (16-18)	£100 £110	Lockers Junior	£6 £6
Junior (12-15)	£70 £80	Buggy Store	£25 £25
Junior <12	£50 £60	Battery Box	£50 £50

* Existing Intermediate Adult Members eligible for renewal to receive one off 25% discount: Renewal cost = £450. ** Existing Young Adult Members eligible for renewal to receive one off 25% discount: Renewal cost = £300.

Please note that the Intermediate Category (30-35) will be closed. Very few competitor clubs offer discounts to the over 30s on the basis that they are not necessarily any worse off financially than many older members. To ease the transition to full membership for members who remain 35 or under on 31st March 2021, they will be offered a one off 25% discount to the full adult price.

It was felt that the Younger Adult price needed to be increased to a point that represented a more realistic bridge to full adult membership whilst remaining competitive against comparator clubs. Again, to ease the transition, a one off 25% discount will be applied to eligible members on renewal in 2021. Finally, given that the clubhouse is open to non-members, the Marital Associate category is no longer appropriate and will be closed off.

New Member Initiative

Category	New Member Deal	Introducer Bonus (10%)
Adult Membership	£540	£54
Young Adult	£360	£36

We need to continue to attract new members and therefore encourage existing members to introduce family members and friends to our club. To incentivise these efforts, we are refreshing our introductory offer. From 1st March 2021, a new Full Adult playing member or Young Adult member introduced by an existing member will pay a fee of £540 (£60 discount) or £360 (£40 discount) respectively. The introducing member will also get 10% of the fee (i.e., £54 for a full adult member) credited to their club card to set against future subscriptions. Note, the new member cannot have been a playing member of PGC at any stage during 2018 - 2019. Please encourage your family and friends to join – we all benefit from membership of a vibrant growing club.

	2020		2019	
	£	£	£	£
INCOME				
Members subscriptions	244,710		247,407	
Visitors green fees	38,407		57,362	
VAT Refund				
Other direct income	64,894		76,916	
		348,011		381,685
Cost of sales				
Greens /course expenditure	19,102		24,663	
Other direct expenditure	37,971		60,840	
Other staff costs	3,049		3,252	
Green wages	70,379		75,003	
		130,501		163,758
		217,510		217,927
Bar				
Bar Sales	77,364		134,399	
Less: Bar purchases	33,794		61,196	
<i>Bar gross profit margin 56.3% (2019: 54.4%)</i>				
		43,570		73,203
GROSS SURPLUS		261,080		291,130
Other income				
HMRC refund interest				
Transfer from deferred income				
Deposit account interest	518		967	
Flat rental income	6,901		8,427	
Restaurant rent			705	
Range income	6,307		6,332	
Government grants	55,961			
		69,687		16,431
		330,767		307,561
Expenditure				
Clubhouse wages	46,651		55,721	
Rent	15,556		15,490	
Rates	6,415		10,548	
Insurances	5,680		5,785	
Heat, light and power	9,120		15,477	
Office equipment maintenance	10,605		12,363	
Repairs and renewals	14,016		8,615	
Professionals retainer	13,829		13,833	
Hire of equipment	21,866		29,379	
Range costs	491		971	
Stationery, printing, adverts	6,773		6,051	
Telephone & Postage	2,437		2,648	
Household and cleaning	12,035		19,198	
Secretarial salaries	32,204		41,876	
Training and courses	720		372	
Sundry expenses	172		426	
Subscriptions and levies	-1,576		9,490	
Irrecoverable VAT	18,831		18,222	
Accountancy	6,243		9,488	
Legal and professional fees	2,047		1,626	
Licences	739		1,414	
Flat rental costs				
Donations				
		224,854		278,993
OPERATING SURPLUS \ (DEFICIT)		105,913		28,568
Finance costs		(5,288)		(7,794)
Depreciation		(40,211)		(39,497)
Profit on disposal of assets		2,182		-
Corporation tax		(3,716)		(1,394)
TOTAL SURPLUS \ (DEFICIT)		58,880		(20,117)

	2020	2019
Fixed Assets		
Property, plant and equipment	534,730	598,694
Current Assets		
Inventories	3,215	4,198
Trade and other receivables	3,315	8,136
Cash and cash equivalents	<u>229,690</u>	<u>147,641</u>
	236,220	159,975
Trade and other payables:		
Amounts falling due within one year	<u>(86,342)</u>	<u>(102,820)</u>
Net Current Assets	149,878	57,155
Total Assets less Current Liabilities	684,608	655,849
Trade and other payables:		
Amounts falling due after more than one year	<u>(24,290)</u>	<u>(54,412)</u>
Net Assets	<u>660,318</u>	<u>601,437</u>
Reserves		
Other reserves	158,696	158,696
Retained earnings	<u>501,622</u>	<u>442,741</u>
	<u>660,318</u>	<u>601,437</u>