



ANNUAL REPORT

**Year Ended
30th November 2022**

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Key schedules from the Annual Accounts to 30th November 2022

1. Captain's Report

Having proudly assumed the Captaincy of the Golf Club at the AGM in February I was a bit unsure what to expect as we headed towards the start of the new season. Not because I didn't know what was expected of me in the role of Captain but because although it finally seemed that we were emerging from two years of Covid disruption, it was becoming apparent that the impact of the pandemic lockdowns combined with the turmoil created by Brexit and the outbreak of war in Ukraine were going to have a significant impact on inflation and the cost of living.

However, as the season progressed, my initial concerns eased as it became more and more apparent the annual budget that was passed at the AGM was robust and we were very much delivering to plan. Getting the annual budget right certainly helps but there are of course many other factors which contribute to the success of a golf season. As in any year in the life of a golf club there were inevitably one or two disappointing aspects but I'm confident in saying that I believe the positives significantly outweighed the negatives at Peebles Golf Club in 2022.

Starting with our most important asset, the golf course was once again in excellent condition over the past 12 months. It's hard to believe at times how varied the conditions can be throughout the year on Peebles Golf Course and so it is testament to the hard work and talent of our greenkeeping team that it remains so playable in all seasons. We really do have a fantastic golf course set in a beautiful location and the investment we have made in our course over recent years is really paying off with all year-round playability. My thanks go to Steven Borthwick and his team for all their efforts, as well as the volunteer gardeners who do such a fine job in creating that all-important first impression through the clubhouse surrounds. The work of the greenkeepers and gardeners is now also complimented by that of the Biodiversity and Ecology Group whose positive impact is becoming more apparent around the periphery of the course.

We continue to invest in new machinery to improve the condition of the course and the addition of a fourth member to the greenkeeping team was also a welcome boost last year. 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.

We've received many positive comments from visitors regarding the condition of the course and I would encourage each of you to continue to spread the word to friends, colleagues and golfing acquaintances that Peebles really is a great place to play golf. Attracting more members and visitors is vital to the ongoing success of our club and everyone has a part to play in this. We have a limited marketing budget, but word of mouth, and these days reviews on social media, can make a great difference when it comes to promoting our great golf course and clubhouse. Despite the increased profile of the club, we remain a relatively hidden gem, even within the south of Scotland, and I can't stress enough that members need to be positive ambassadors for the club if we are to ensure our long-term sustainability.

When Steve Johnston came to us last summer to say that he wanted to step back from running the pro-shop to focus on his coaching, and in particular his online content, we initially thought that finding an appropriate replacement for Steve would be a challenge. However, during our conversation with Steve we quickly came to realise

that this could turn into a win-win situation for both Steve and the golf club. With both Steve and Ailsa still being linked to the club and available for lessons, running the shop in-house now provides us with a great opportunity generate some additional revenue.

Steve will now have more time to devote to coaching and creating web content and Ailsa is also keen to get more involved with the club again and we are hopeful that she will help to support our junior coaching programmes which run throughout the summer months. I'd like to thank Steve for his input to the club over the past 8 years and wish both him and Ailsa every success moving forward.

One of the contributing factors in the decision to bring the running of the shop in-house was Bob Allan's willingness to step up and manage the shop. Bob's knowledge and experience gained from working for Steve in recent years as well as from his previous time in the golf shop at Cardrona will stand him in good stead to take the shop forward throughout 2023 and beyond. The addition of well-known club members, Nigel Furness and Brian J Smith, to the golf shop team will provide the flexibility that we need to cover the seven day a week service that we have come to expect.

As was recently announced, after three and a half years at the helm in the office, Alan Frain will be retiring as Club Secretary at the end of April. Alan has made a significant contribution to the running of the golf club during this period and has undoubtedly played a key role in our recent change of fortunes. Alan's knowledge and professionalism, with support from Sarah, Pam and now Paula, has been instrumental in the smooth and efficient running of the club during his time as Secretary.

As Club Captain, I'm particularly grateful to Alan for the guidance and support that he has offered on many key issues and for his frequent willingness to go above and beyond what would normally be expected from the Secretary, for the benefit of the club. I would like to offer my sincere thanks to Alan for all his efforts and wish him a long and happy retirement with plenty of golf thrown in for good measure.

On the playing front, Craig Howie was once again the pride of the club, performing at the top level on the DP World Tour. After a great start to the season Craig's form was unfortunately a bit less consistent following a wrist injury he picked up in the spring. However, despite failing to maintain his tour card for 2023, Craig will continue to feature in a good number of tour events once again this year having earned a host of exemptions based on his past performances. I would also like to wish Craig's brother Darren the best of luck for the upcoming season. Following the demise of the Euro Pro Tour at the end of last year, Darren is aiming to focus his efforts on the Tartan Tour this summer where he will be hoping to take his career to the next level. One thing that both Craig and Darren can be sure of once again this season is that they'll be supported all the way by the members back at their home club in Peebles.

One area where we have continued to struggle in recent years, despite the best efforts of the all involved, has been our Clubhouse Catering. We appointed Vicky and Karen as our new catering partners ahead of the 2022 season but they found it difficult to make their business viable at times. This culminated in them reducing their level of service towards the end of the summer to cater only for pre booked parties and events. Having spent countless hours trying to get the catering proposition right in recent years I was delighted with the level of engagement from members when the Board took the decision to hold an open forum to discuss the situation in December. Following an excellent discussion on the night, the Board was greatly encouraged by the desire

within the club to get our catering proposition right. With this in mind, a catering working group has now been formed to explore our options going forward.

I would also like to take this opportunity to thank all of our Committee Members, Volunteers and Sponsors for their ongoing support of the club. All contributions to the club whether they involve people giving up their time and energy or offering their knowledge and expertise or whether they be in the form of financial sponsorship are greatly appreciated.

On this note I would like to make special mention of the members of the Board and Committee that are stepping down at this time after many years of service to the club. Mary MacIntyre has done an amazing job leading the Competitions and Handicap Sub-Committee for the past nine years ensuring that everything runs like clockwork on the playing front and taking the introduction of the World Handicap System in her stride a couple of years back. Likewise, Jim Dickson has worked tirelessly as greens convenor for three terms on the Committee, checking in with Stevie Borthwick and his team on a daily basis at times. Grant Foster has worked diligently as Finance Director for the past six years and has overseen the return of the club to a much more stable financial position during some very challenging times and David Thorburn has served on the Board for the past three years as well as being Junior Convenor and leading the junior coaching come rain or shine for many years. I'd like to pass on my sincere thanks to all of them for their hard work and considerable voluntary contributions to Peebles Golf Club over the past few years and wish them a well-earned rest during the coming months.

Finally, I would like to wish all of our members an enjoyable golf season in 2023 and I look forward to your continued support in what will hopefully be another successful year for Peebles Golf Club.

Chris Patterson
Captain

1.1 Major Club Competition Winners 2022

Men's Champion – Jamie Morris	Ladies Champion – Sheila Cuthbertson
Junior Champion – Frankie Masson	Ladies B Champion – Mandy Douglas
Men's B Champion – Andrew Beveridge	Ladies Centenary Trophy – Julie Oram
Men's C Champion – Chris Shortreed	Capt's/Vice Capt's Trophy – Graham Connor
Seniors Champion – Scott Mackay	Summer Singles – Alan Aiken
Thorburn Cup – Colin Gallacher	Eugene Turnbull Trophy – Allan Thomson
Centenary Trophy – Ian Campbell	Stewart Shield – Kenny McKay
Kenny Allan Trophy – Jamie Morris	Captain's Putter – Keith Brunton
Ford Trophy – Graham Lowther	AT Kyle Trophy – Les Shortreed
Tweeddale Motors Trophy – Scott Mackay	Scotsdale Medal Final – Neil MacIntyre
Balfour Beatty – S. Mackay/C. McBride	Cooksey Trophy – Mary & Neil MacIntyre

1.2 Notable Player & Team Achievements

Craig Howie:

After graduating from the Challenge Tour in 2021, Craig enjoyed his maiden full season on the DP World Tour. He made an impressive start to the year, making the cut in his first six events, including a 12th place finish in the Qatar Masters and 21st place in the Ras Al Khaimah Championship. A wrist injury halted his progress, but he bounced back in the Volvo Scandinavian Mixed in June, playing his way into contention before coming T15th. Further strong placings came in Northern Ireland, France and Denmark – the latter earning Craig his biggest pay cheque of the season – pushed him towards the all-important cut off mark for retaining his card but missed cuts in his last three events meant he just missed out on a full card, ending the season ranked 135th. It's brilliant to see Craig performing at the highest level and he's kept us all tuned into the leader boards throughout the year. Craig has retained limited playing rights on the DP World Tour and we wish him every success for 2023.

Darren Howie:

Darren joined Craig on the pro ranks in 2022 and it was great to have so many club members lending their support as we enjoyed a fantastic Friday in April for the Darren Howie Golf Day, providing funding for his travel expenses. Darren competed on the PGA Euro Pro having earned a full card in the pre-season qualification events, as well as the Paul Lawrie Tartan Pro Tour, which featured a number of events in Scotland. He ended the season in 80th place in the EuroPro rankings, with a best finish of 25th at the PDC Championship in Romford. Unfortunately for Darren, the EuroPro Tour has been discontinued, but he will compete on a mix of the Clutch Pro Tour and Tartan Tour this season. We look forward to watching his continued progress.

Borders Golf

Allan Turnbull, Mike Foley, Jamie Morris and Kris Hopkirk all represented the Borders last season, with the team just missing out on a place in the Scottish Area Team Championship final for the second year in a row, losing to North East in the semi-finals having won through from the group stages.

2. Convenor Summaries

2.1 Greens Report

It is pleasing to report once again that the course has been maintained and presented in excellent condition throughout the year with positive feedback received from members and visitors alike. In addition, it was encouraging to see this view being substantiated by a feature article on the course in the National Club golfer, which highlighted Peebles as ...

“A parkland course with velvet greens, lush fairways, nicely defined by rough which is also immaculately kept at less than 40 millimetres high – so losing balls, if at all wayward, should never be a problem – and each hole further defined by stands of pine and deciduous trees.”

We again experienced dry and cold conditions in the Spring, which made the greenkeeper's job tricky as growth was not as quick as expected. However, Steve keeps up to date with the latest industry practice and has a keen weather eye and the timing of his layered approach of micro coring, sanding, and applying various fertilisers worked well.

With no electricity available from the farm, we invested in a portable generator to give us the independent ability to operate our watering system. We augmented this investment with the purchase of two portable water containers and a portable pump. Our fixed water system lacks pressure, and this investment improved our watering capability, particularly on the holes higher up on the course, enabling us to stay ahead of the dry spells experienced throughout the year. We have a rolling plan for the ongoing investment in greenkeeping machinery to ensure that the team benefits from a full range of modern equipment. For 2023, we plan to purchase a replacement rotary rough gang mower and a new utility vehicle.

I would 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 has been a massive help to the team and is much appreciated. I would also like to thank those members that participated in the "self-help" divoting programme as with more footfall on the course than ever, it is important that we all play our part in terms of replacing divots on the fairway and pitch marks on the green.

In closing, I would like to thank Steve, Lewis, Jacob and Jack for their hard work and dedication throughout the year and offer my best wishes to my successor, Gavin Carruthers.

2.2 Junior Report

The junior membership category covers children from aged 5 up to 17, and the club strives to provide opportunities for all junior members to experience and enjoy golf. Our youngest members of primary school age and S1 were able to take advantage of bi-weekly junior coaching up at the driving range, and the numbers throughout the season remained steady with between 30-40 juniors regularly attending. The pool of volunteer coaches is a small one, and the club was grateful to those who gave up their time at weekends to provide this facility to our juniors making their first steps into golf.

For 2023, the junior coaching programme will move into the hands of PGA Professional, Ailsa Murphy, who will lead, manage, and further develop the initiative. This will see some changes to the coaching structure of recent years, and members and parents will be informed on how the coaching programme will operate throughout the season as soon as the planning has been finalised. However, we will be unable to sustain coaching for the same capacity as previous years unless more volunteers step forward to support Ailsa and the team.

The 18 Steps initiative continued, with PGA Professional Steve Johnson and David Tait, along with a small team of volunteers, offering more technical coaching and guidance over a number of weeks in order to assist those who it is felt were ready to submit cards for handicaps or were simply ready for some more advanced coaching, to encourage participation in competition play.

Competition wise, it was disappointing to report that the numbers playing was relatively low. We have a good core of juniors who enjoy a good camaraderie, participating in the Junior Team, and under the guidance of Kris Hopkirk, performed very well in the group stages of The Edinburgh Junior League, just missing out on a place in the semi-finals. The matchplay/team element has captured the imagination in a manner more so than regular junior medal golf. With that in mind, it is proposed to reduce the number of junior medals down to around 2 per month, and should the appetite grow again for more medals, the roster can be increased accordingly.

The junior team Captain, Kris Hopkirk is stepping down from the role, and he has been an excellent captain who had a good nature and rapport with the team members, and the club would like to thank Kris for his commitment to junior team golf over the years. Ross Duncan now takes on the baton and the new season's league fixtures are in the process of being arranged.

Our Junior Champion this year was Frankie Masson, claiming the title for a second time as he overcame Cameron Cormack to win an excellent final 3&2. We wish Frankie, Cameron, Callum Waldie, Fraser Brock all the best as they 'graduate' out of the junior ranks and thank them for their contribution to the team and junior competitions.

2.3 Competition and Handicap Convenor's Report

The season got off to a good start with us able to run the opening weekend as planned. There was a good turnout on both days. Then it was full steam ahead with the fixture list packed with individual competitions for Ladies, Gents and Juniors, Mixed and Team Events, Opens and Knockouts to sign up for; hopefully something for everyone!

The Championship reverted back to the week after Beltane, starting the first round of knockout matches on the Monday, a tight squeeze but thankfully the weather was kind to us and all matches were played as per the original schedule.

Throughout the season the Opens were well attended. Thanks to the greenkeeping staff for having the course in tip top condition throughout, a great showcase for Peebles Golf Club. We are very grateful to the Office and Golf Shop staff for their help before and at these events, without it they would not run so smoothly. We also rely on volunteers to help, please sign up to offer help on the welcome desk or as a starter, even if you can only manage an hour – all help is greatly appreciated.

The World Handicapping System (WHS) is now 'the norm' and most people understand how / why their Handicap Index has gone up or down! We had a bit of a hiccup with Clubv1 and their calculations for mixed competitions having to recalculate handicaps manually, disappointing some and thrilling others when the leader board was changed! Gladly, that glitch has now been resolved.

Next season sees tweaking (simplifying?) of some of the Rules of Golf by the R&A. We are hosting a Rules Night on 25 January 2023 with Richard Muckart; a former member of PGC and an R&A referee. We have also purchased a few copies of the updated rule book which are available for you to refer to in the clubhouse.

As I am resigning from the committee at the forthcoming AGM I would like to thank everyone for their help and support over the past nine years. I have enjoyed my role

and learned a huge amount about golf, competitions and the running and challenges of such a large operation. Marny Waddell will be taking over this role from the AGM and I wish her well and ask that you give her the same support you gave me. Thank you.

2.4 Marketing Report

We continued to strive to put Peebles on the visitor golfing map, recruit and retain members, drive traffic to the clubhouse, engage and communicate regularly with members, and raise the profile of the club through our marketing activity.

Social media continues to be our strongest market channel and with regular updates, photography, video and news content across our Facebook, Instagram and Twitter pages, we reached a large audience of members and visitors on a regular basis. We now have 2,400 followers on Facebook, 3,300 on Twitter and 1,280 on Instagram, which are strong numbers for a club of our size. We had 32,000 unique visitors to our website throughout the year, with a number of improvements made to the site.

Advertising campaigns at the start of the year (on Facebook and Instagram) focused on new members, and these campaigns played a key part in recruiting a number of new members, while we also promoted visitor golf through different campaigns during the season, contributing to another year of strong visitor numbers in what is a very competitive space.

Marketing is also vital in activating the club's major sponsors, ensuring high visibility among our members and the local community, and we continue to receive very positive feedback from the likes of Evolution, Scotsdale Finance, Cullen Kilshaw, Brown Brothers and JBM Estate Agents for ensuring we meet their sponsorship requirements.

We have also promoted junior golf coaching and the junior team, covered the Championship Week through daily photography and results updates, our major competitions and Opens, as well as the various club social events throughout the year. And it's been great to have been kept busy by Craig Howie in keeping members informed of his weekly performances on Tour – hopefully more to come in 2023.

2.5 House Convenor Report

The main jobs completed in the year were:

- Replacement roof for the driving range. The opportunity was also taken to strengthen the structure in several areas to prolong the useful life of the facility.
- Refresh of back stairway;
- Rub down and recoating of balcony handrails;
- Refresh of gents' locker room;

The clubhouse is generally in good condition and is subject to a planned programme of small maintenance and upgrades.

3. Membership Information

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

George Gordon Smith
David Swan
Neil Pow
Margaret Pennycuik
Norrie St Clair
Doctor David Love

All will be sadly missed.

3.1 Current Membership and Historic Trends

As of 30th November 2022, the membership of the Club was as follows:

Playing Members	2022	2021	2020	2019	2018
Gentlemen	256	276	251	281	303
Gentlemen (OAP)	90	86	87	75	76
Ladies	42	38	45	58	52
Ladies (OAP)	15	16	16	14	14
Get Into Golf	10	14	12	10	12
Gent 5 Day	8	8	9	10	12
Young Adults / Intermediate	38	44	56	52	65
Youth / Students	14	25	23	2	2
Flexible Membership	31	23	30	N/A	N/A
Country	25	25	18	19	17
Junior	116	114	93	122	132
Sub Total	645	669	640	643	685
Other Categories					
Non-Playing/Social	29	23	28	75	153
Complimentary	10	9	6	8	7
Honorary	7	7	7	7	7
Sub Total	46	39	41	90	167
Full Total	691	708	681	733	852

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)	2022	2021	2020	2019	2018
<u>Summary Income Statement</u>					
Member subscriptions	287	288	249	254	250
Visitor and buggy income	101	108	45	64	80
Golf Shop Sales	4	-	-	-	-
Sponsorship	13	13	17	9	13
Grants and donations	6	29	41	-	-
Other income (e.g., flat rental, range)	20	30	16	16	23
Bar profit (1)	10	18	13	17	39
Wages (greens and office)	(150)	(132)	(107)	(119)	(130)
Overheads	(293)	(303)	(215)	(261)	(279)
Surplus \ (Deficit)	(2)	51	59	(20)	(3)
<u>Summary Balance Sheet</u>					
Fixed assets	468	531	534	598	671
Cash balances	303	282	230	148	129
Net Current Assets	265	214	150	57	39

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

Refer to pages 19 and 20 for a more detailed break-down of the Income Statement and Balance Sheet. N.B. there are small differences in income and cost headings between the management and statutory accounts.

2022 was the first year in the past three, where we returned to something akin to normal trading conditions. To reflect unanticipated hospitality restrictions at the beginning of the year, we did receive a relatively small grant from SBC but no furlough payments.

It is pleasing to report a small deficit of £2,000 compared to an original budget deficit of £14,000. This follows two strong years of performance with a material surplus being delivered in both 2020 and 2021. This relatively positive result in 2022 has helped consolidate our cash position and overall balance sheet strength.

4.2 Membership Income

Membership income stood up better than expected. Natural attrition of adult members was 59 but this reduction was partially offset by 38 new joiners across various membership categories. This represented a net reduction in adult membership of 4% but allied to the subscription increase last year, this resulted in income from membership subscriptions of £287,000, which was in line with last year's record income of £288,000 and £15,000 better than budget.

4.3 Other Income

Visitor income of £83,000 was an excellent result and £13,000 better than budget. With travel restrictions being relaxed in 2022, we had anticipated a drop off in golfing groups enjoying a "staycation", but this did not materialise. Peebles remained a popular holiday town and we worked closely with local hoteliers to attract visiting golfers to the course. Whilst not to the same extent as 2021, we benefitted from the poor condition of Cardrona golf course with around £4,000 of exceptional income generated from displaced golfers.

Due to hospitality restrictions at the beginning of the year, the bar did not get on a normal footing until March. However, activity picked up quickly thereafter and sales were in line with budget during the peak summer months. The wind down of the daily catering service from September impacted bar sales but Calum Chisholm and the team worked hard to develop and maintain a limited food service from the bar. After a relatively slow start, social events picked up as the year progressed, reflecting a growing confidence across the public to mix in a hospitality setting. Overall, the bar delivered a net profit of £10,000. Whilst this was £14,000 below budget, given the circumstances, it was considered a creditable performance.

Once adjusted for the exceptional £9,000 profit on the sale of greenkeeping equipment in 2021, Other Income in 2022 from the range, flat and sponsorship was relatively steady year on year.

4.4 Wages (Greens and Office) and Overheads

Wages and overheads were in line with budget. Following a year of accelerated investment in the course and surrounds in 2021, overheads returned to a more normalised level in 2022. Whilst inflationary pressures became more evident as the year progressed, overheads remained subject to close control and scrutiny. It is worth noting that total overheads in 2022 were only 5% higher than in 2018, reflecting a focus on driving through cost efficiencies. A good example of this is our hedging strategy on utility costs that extends out to 2027 and has so far protected the club from the worst effects of the energy crisis.

5. Budget – Year to 30th November 2023

5.1 Summary Budget

The table below provides a summarised breakdown of the 2023 budget relative to the comparative budget and actuals for the prior year. Please refer to page 20 for a more

detailed breakdown of the budget. The budget is subject to the approval of members at the AGM in February 2023:

Year ended November 30 (£'000)	2023	2022	
	Budget	Budget	Actual
Member subscriptions	280	272	287
Visitor and buggy income	102	88	101
Sponsorship	12	12	13
Grants and donations	-	5	6
Other income (e.g., flat rental, range)	21	21	20
Bar profit (1)	13	25	10
Golf Shop Profit (2)	-	N/A	4
Wages (greens and office)	(163)	(151)	(150)
Overheads	(282)	(286)	(293)
Surplus \ (Deficit)	(17)	(14)	(2)

(1) Bar profit includes bar sales less wages and bar purchases.

(2) Golf Shop profit includes shop sales less wages and shop purchases.

5.2 Overview

From a balance sheet perspective, the club emerged from the pandemic in good shape and, in what was a more normalised trading year in 2022, it was pleasing to see the club consolidate its financial position. For 2022, we achieved a £12,000 favourable variance to budget, which was primarily due to better-than-expected income from membership subscriptions and visitors as described in section 4 of this report. For 2023, our budget deficit of £17,000 is closely aligned to our approved budget for 2022.

Whilst the worst of the pandemic is hopefully behind us, we are now facing off to a different challenge in the form of an inflationary environment and a cost-of-living crisis. There is a degree of uncertainty around how discretionary spending will be impacted in 2023 and whilst the budget reflects the continuation of a normalised income and expenditure model, we have pared back some of our sales targets compared to 2022. The Golf Shop represents a new income opportunity for the club and whilst we are forecasting a break-even performance from trading, the removal of payments to the former golf professional will save £20,000 p.a.

Like all businesses, we are facing off to an inflationary environment. General inflation is running at more than 9% and wage inflation, in the form of the National Living Wage, is close to 10%. Whilst overheads will remain under close review, the Board is keen to retain and reward its employees appropriately and therefore we have incorporated material wage increases in the budget.

The budget deficit of £17,000 is similar to the budget deficit proposed in 2022. This reflects the Board's aim to keep membership fees as affordable as possible whilst

maintaining appropriate investment across all aspects of the club. With a large depreciation charge of £44,000 p.a., there is scope for the club to absorb a small deficit and it is important to note that we still expect to generate net cash of £7,000 over the course of the full year. This is after budgeted capital expenditure of £40,000 on new greenkeeping equipment that will be funded via a combination of cash and finance lease.

5.3 Membership Fees

As outlined in section 6, the Board is proposing a modest, sub inflation, fee increase in 2023, which is well below the average increase being levied across the golfing industry. The aim is to generate £280,000 of subscription income, including the various add-ons (e.g., locker, battery, and caddy storage). The target level of membership income is lower than 2022 reflecting a higher rate of net attrition due to the general cost pressures being experienced by our membership.

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

5.4 Visitor income

Visitor and buggy income for 2023 is forecast to be marginally higher than that achieved in 2022. We have pared back our visitor income to reflect the non-repeat of displaced golfers from Cardrona, but this shortfall is offset by an increase in buggy income. We are due to take delivery of a new fleet of 10 x EZGO electric buggies in March 2023 and to reflect the increase in finance costs, pricing will increase from £25 to £30 per buggy for a non-member. Members will continue to enjoy a 50% discount with buggies required for medical conditions costing £10/£5 for 18/9 holes. Peebles remains a popular course for visiting parties and we plan to focus our marketing effort on this target market. However, unlike more prestigious golf clubs, we do face off to a mainly domestic visiting market that is highly cost conscious and therefore we must be realistic about our ability to push up visitor green fees. 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.

5.5 Bar Profit

(Bar sales less purchases and bar staff wages)

Given the inflationary costs to be absorbed (e.g., wages) and pressure on discretionary spending, we are forecasting a similar profit in 2023 compared to 2022. We are seeing some increased interest in evening events, which presents an upside opportunity, as these gatherings are key profit drivers for the bar.

The absence of a full-time caterer does prevent us from realising the full potential of the clubhouse and this issue has been passed to a working group of members to develop potential options. However, this is not an easy "nut to crack" and implementing a more comprehensive catering service will need to carry the support of the membership, as it might well feed through to increased subscription fees.

In the meantime, it is important that we maintain our existing catering model to support income from visiting parties and evening events. The bar will continue to service the daily catering needs of members, albeit on a limited basis. Our Bar Manager, Calum Chisholm, has worked hard to develop the customer proposition and with the benefit of Sky TV, pool and darts, the Clubhouse is a well-equipped and attractive hospitality setting.

Consistent with prior years, the gold card scheme will remain in place with a 10% cash discount for members.

5.6 Golf Shop Profit

This is an exciting new venture for the club and represents a welcome additional income stream. The shop was consistently profitable under Steve Johnston's ownership, providing him with a base salary to augment his income from coaching, YouTube, and his website. We have worked closely with him to transfer supplier relationships and replicate the product range and quality on display in the shop.

Based on historic accounts, we are forecasting a break-even performance from the shop. This is because we must replace Steve's time in the shop with new paid staff. However, it is important to note that this new "in house" model will save the club £20,000 p.a. from the non-payment of the annual retainer to Steve plus various add on incentives, including commission on buggy rentals. The shop's success is directly related to the support of the members and, like before, competition winnings will be paid in the form of a credit voucher that can be spent in the shop. The reality is that winnings will be credited to the member's "Golf Shop" tab in their gold card.

Bob Allan and his team are keen to build a trusting relationship with members so that the club shop is their first port of call when considering golfing purchases. Fitting Days will be arranged in 2023 with our three main golf club suppliers (TaylorMade, Ping and Wilson) and both Steve and Ailsa are capable of fitting clubs outwith these events.

5.7 Wages (Greens and Office Staff)

Forecast salary costs for Greens and Office staff are 8% higher than 2022. This reflects additional salary, NI, and pension contributions. Both teams performed exceptionally well in 2022 with positive feedback from members and visitors alike. Ongoing investment in our staff is key to growing our future golfing revenue.

5.8 Other Overheads

Total overheads in 2023 are projected to remain relatively flat compared to prior year. This masks the underlying inflation that we are seeing across much of our supplier base, but we have been able to offset this increased cost via targeted reductions in other areas (e.g., pro retainer and course leasing).

5.9 Cash Flow Budget Summary

Year ended November 30 (£'000)	2023	2022
Budgeted cash inflow (before investment)	27	29
Budgeted investments	(20)	(14)
Budget cash inflow (after investment)	7	15
Actual net cash inflow	N/A	21

The forecast operating deficit for the year ended November 2023 is £17,000 which includes a depreciation charge of £44,000. Adding this non-cash item back, the projected net cash inflow for the year (before investments) is £27,000.

We are forecasting capital expenditure of £20,000 in 2023. £4,000 relates to annual HP payments for the digger (purchased 2021) with the remainder allocated to cash deposits for a new rough gang mower, utility vehicle and ball washer. The remaining cost of this equipment will be funded by finance lease with repayments accounted for in the budget profit and loss.

The quality and range of greenkeeping equipment are reviewed regularly with Steve Borthwick and we have a rolling replacement programme in place. We benefit significantly from Steve Borthwick's ability to source excellent value "nearly new" equipment and his ability to minimise repair costs by maintaining equipment on site. Following the accelerated investment in 2021, we are comfortable with the current stock of greenkeeping machinery and equipment and that it is sufficiently provisioned through the budget.

5.10 Summary / Key Takeaways

- We are facing 2023 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 modestly 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, clubhouse, and staff. The rolling investment in greenkeeping equipment is proving its worth and 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

0			
	2023 Budget to 2022 Actual		
	2023	2022	
	Budget	Actual	Variance
Income			
Subscriptions	280,000	287,435	(7,435)
Visitors Fees	80,000	83,424	(3,424)
Buggy rental (net of costs)	6,650	(2,619)	9,269
Bar Profit & Catering (Footnote 1)	11,206	8,260	2,946
Pro Shop (Footnote 2)	-	5,155	(5,155)
Range income (net of costs)	7,500	6,783	717
Competition income	5,000	5,080	(80)
Sponsorship (net of costs)	8,500	11,163	(2,663)
Flat rental income	9,400	9,099	301
Grant income	-	6,200	(6,200)
Donations	-	50	(50)
Social Events / Other Income	4,000	3,471	529
Profit on sale of asset	-	-	-
Total Income	412,256	423,501	(11,245)
Expenditure			
Course:			
Greenkeeper wages	117,720	108,825	8,895
Course Maintenance & Repairs	22,000	22,190	(190)
Vehicle Running & Maintenance	15,500	14,285	1,215
Course Leasing	14,100	16,757	(2,657)
Clubhouse:			
Rent & Rates	15,700	15,490	210
Utilities	25,200	23,747	1,453
Contract Maint & Cleaning	29,000	27,480	1,520
Repairs & Renewals	12,000	12,592	(592)
Satellite TV / Equip Hire	6,500	5,599	901
Adminstration:			
Office wages	45,036	41,469	3,567
Admin (telephone, printing etc)	8,000	7,268	732
Computer Equip/Service	6,500	6,592	(92)
Training & Courses	1,500	1,099	401
Marketing & Promotion	6,500	6,192	308
Subscriptions, Licenses etc	2,600	2,587	13
Insurance	8,000	6,458	1,542
Entertainment / Hospitality	5,000	4,939	61
Professional Fees & Dues			
Club Professional	-	13,696	(13,696)
Accountant/Legal/HR	7,000	5,519	1,481
Golf Union Levies	9,285	9,031	254
Financing & Other Charges			
Bank & Finance Charges	7,000	5,953	1,047
Depreciation	44,000	44,151	(151)
Unreclaimable VAT	20,000	20,567	(567)
Corp tax	1,000	2,947	(1,947)
Suspense	-	-	-
Total Expenditure	429,141	425,433	3,708
Surplus (Deficit)	(16,885)	(1,932)	(14,953)
Footnote 1:			
Bar Profit & Catering:			
Gross sales	155,000	146,372	8,628
Bar wages	(66,294)	(64,059)	(2,235)
Purchases	(78,000)	(74,077)	(3,923)
Pool & gaming machine	1,500	1,448	52
Catering costs	(1,000)	(1,424)	424
Profit / (Loss)	11,206	8,260	2,946
Footnote 2:			
Golf Shop Sales	100,000	3,541	
Golf Shop Wages	(35,000)	(2,155)	
Golf Shop Purchases	(65,000)	3,769	
Profit / (Loss)	-	5,155	

6. Proposed Subscriptions: 2023-24

The proposed subscriptions are tabled below (increases are in red). 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	£610 £630	Country	£255 £260
Full Pension	£545 £560	Non-Playing	£30
5 Day	£460 £475	Social	£30
Flexible Membership	367.50		
Young Adult (22-29)	£405 £410		
Youth/Student (18-21)	£205 £210	Lockers Adult	£22
Junior (16-17)	£110	Lockers Junior	£6
Junior (12-15)	£80	Buggy Store	£25
Junior <12	£60	Battery Box	£50

New Member Initiative

Category	New Member Deal	Introducer Bonus (10%)
Adult Membership	£570	£57
Young Adult	£370	£37

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 2023, a new Full Adult playing member or Young Adult member introduced by an existing member will pay a fee of £570 (£60 discount) or £370 (£40 discount) respectively. The introducing member will also get 10% of the fee (i.e., £57 for a full adult member) credited to their club card. Note, the new member cannot have been a playing member of PGC at any stage during 2020 - 2021. Please encourage your family and friends to join – we all benefit from membership of a vibrant growing club.

Key Schedules from the Annual Accounts to 30th November 2022

	2022		2021	
	£	£	£	£
INCOME				
Members subscriptions	289,235		283,854	
Visitors green fees	83,412		88,735	
VAT Refund				
Other direct income	64,388		80,111	
		437,035		452,700
Cost of sales				
Greens /course expenditure	35,555		32,760	
Other direct expenditure	51,562		57,384	
Employers Pension	3,235		2,478	
Green wages	106,884		91,205	
		197,236		183,827
		239,799		268,873
Bar				
Bar Sales	147,820		103,105	
Less: Bar purchases	72,920		47,872	
<i>Bar gross profit margin 50.67% (2021: 53.5%)</i>				
		74,900		55,234
GROSS SURPLUS		314,699		324,107
Other income				
HMRC refund interest				
Transfer from deferred income				
Deposit account interest	1,093		438	
Flat rental income	9,099		9,425	
Sundry expenses	2,526			
Range income	7,566		8,005	
Government grants	6,200		44,923	
		26,484		62,791
		341,183		386,898
Expenditure				
Clubhouse wages and staff costs	67,567		52,703	
Rent	15,490		15,423	
Rates	7,938		6,522	
Insurances	6,457		5,601	
Heat, light and power	20,158		18,686	
Office equipment maintenance	10,602		10,161	
Repairs and renewals	12,268		20,178	
Professionals retainer	13,696		12,324	
Hire of equipment	23,516		35,980	
Range costs	0		1,244	
Stationery, printing, adverts	6,592		5,414	
Telephone & Postage	4,520		2,780	
Household and cleaning	18,784		12,790	
Secretarial salaries	40,822		40,263	
Training and courses	1,099		513	
Sundry expenses	1,514		105	
Subscriptions and levies	9,031		9,032	
Irrecoverable VAT	20,567		31,054	
Accountancy	4,800		4,800	
Legal and professional fees	639		2,065	
Licences	2,587		1,115	
Flat rental costs	324		3,350	
Donations	0		70	
		288,971		292,171
OPERATING SURPLUS \ (DEFICIT)		52,212		94,727
Finance costs		(7,047)		(6,609)
Depreciation		(44,151)		(42,086)
Profit on disposal of assets		0		8,700
Corporation tax		(2,947)		(3,034)
TOTAL SURPLUS \ (DEFICIT)		-1,933		51,698

	2022	2021
Fixed Assets		
Property, plant and equipment	468,249	530,823
Current Assets		
Inventories	22,011	4,982
Trade and other receivables	10,990	12,617
Cash and cash equivalents	<u>303,166</u>	<u>282,033</u>
	336,167	299,632
Trade and other payables:		
Amounts falling due within one year	<u>(71,226)</u>	<u>(85,177)</u>
Net Current Assets	264,941	214,455
Total Assets less Current Liabilities	733,190	745,278
Trade and other payables:		
Amounts falling due after more than one year	<u>(23,107)</u>	<u>(33,262)</u>
Net Assets	<u>710,083</u>	<u>712,016</u>
Reserves		
Other reserves	158,696	158,696
Retained earnings	<u>551,387</u>	<u>553,320</u>
	<u>710,083</u>	<u>712,016</u>