

SCOTTISH GOLF CLUB SURVEY ANALYSIS OF CLUB ACCOUNTS

Foreword

The Scottish Golf Union (SGU) and Scottish Ladies' Golfing Association (SLGA) would like to acknowledge the considerable contribution made by Bill Mitchell in producing this financial analysis. Both organisations are extremely appreciative of the quantity and quality of work involved.

Introduction

- In October 2007 the "Scottish Golf Club Survey", in the form of a comprehensive questionnaire, was circulated to member clubs with the objective of building "the most comprehensive picture possible of the issues, challenges and opportunities facing Scottish golf clubs today".
- As an alternative to answering a range of questions relating the club finances, clubs were given the option of returning a copy of their most recent set of audited accounts on the understanding that the information would be treated confidentially.
- 46 clubs submitted copies of their accounts to the SGU.
- The purpose of this report is to record the findings of an in depth analysis of the income streams of our member clubs, of where the money is spent and identifying the issues that affect their financial well being based on the information contained in the accounts.
- As part of the Scottish Golf Development Initiative which ultimately led to the formation of Scottish Golf Union Limited, clubs were invited, in 2000, to submit a copy of their audited accounts. These accounts were kept on file and this has enabled a comparison to be made in regard to club finances in 1998/99 against the 2006/07 position.

Analysis

- Preliminary perusal of the range of submitted accounts identified that any analysis based on 'averages' was likely to provide limited and possibly misleading conclusions.
- To address this basic issue, clubs were separated into the following groups based on the undernoted criteria. (Inevitably some of clubs sit on the 'margins' but by and large the classification seems to have worked well.)

Group	Criteria
A	Clubs in this classification are among the most prestigious in the country with golf courses that attract overseas visitors and top end visitor income. They have a total income in excess of c. £500K
B	These are predominantly clubs located in the Central Belt and do not attract significant visitor income (possibly to some degree by choice). They have a total income in excess of c £400K.
C	Clubs in this classification are generally located in rural areas and attract a significant proportion of their income from visitors. Clubs in this group have a total income in the range £275K to 500K.
D	As Group B clubs but with an income in the range £275K to £400K generally with very modest levels of visitor income.
E	As Group C clubs but with a total income in the range £150K to £275K and generally reliant on visitor income

- Clubs use a wide range of accounting conventions and practices. Some clubs, mainly in Groups A and B who operate as a Limited Company provide only the statutory minimum financial information while others supplement this with 'Notes to Financial Statements'. Clubs who operate as unincorporated associations, in most cases, provide a set of accounts in a form that can be more readily analysed and compared.
- To allow an 'apples to apples' comparison, income was adjusted to a common level of, Members Subscriptions + Entry Fees + Visitor Income + Bar Gross Profit + Gaming Machine Surplus. Other sources of income such as bank interest and donations have been ignored for the purposes of this analysis.
- A breakdown, by Group, of the income derived from the sources identified above is provided in the following table. (It should be noted that the analysis is based on 2006 accounts and is therefore dated by one year.)

INCOME

Percentage Contribution from Individual Income Sources

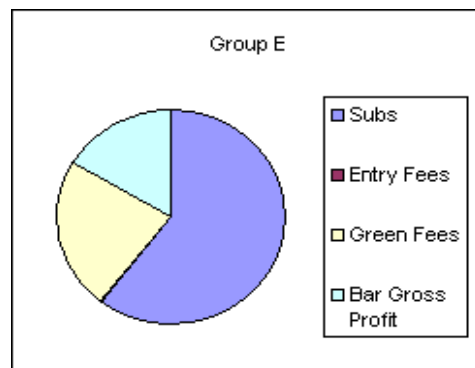
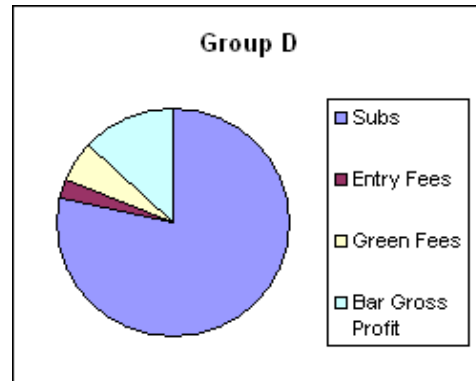
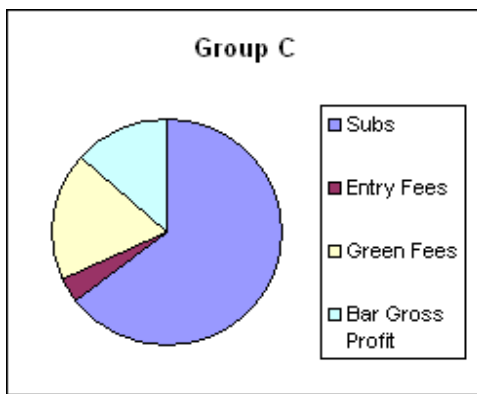
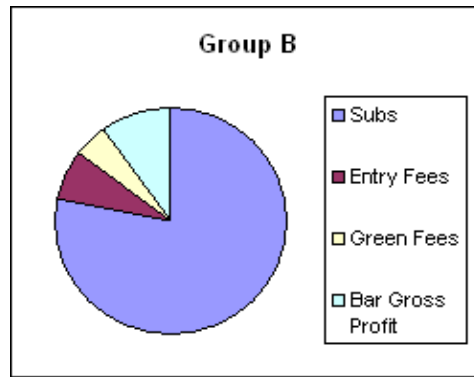
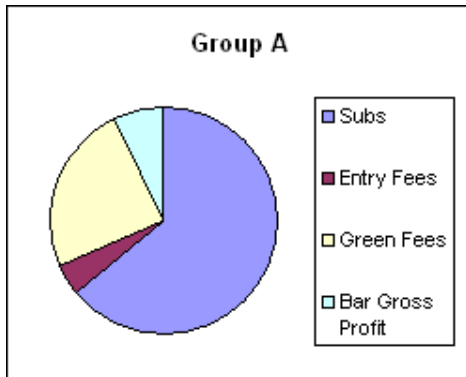
Club	Area	Group	Income	Subs %	Gaming %	Entry Fees %	Green Fees %	Bar Gross %
	NE	A	780082	62%		4.5	30.2	3.3
	NE	A	677568	51.1	0.1	2.3	40.4	6.1
	Fife	A	589658	63.4		3.2	30.2	3.2
	Loth	A	560602	71.3	0.3	7.6	15.5	5.3
	Nor	A	541772	55.8	1.5	0.7	21.2	20.8
	Loth	A	523333	66		9.9	17.1	7
	NE	A	485648	68.8		2.7	22	6.5
	Ang	A	470365	70.5		2.7	20.8	6
	Loth	B	657392	78.1	0.3	9.1	5.7	6.8
	Loth	B	645631	82.5		8.3	3.1	6.1
	Loth	B	597768	73.8	1.3	6.2	9.1	9.6
	Gla	B	593103	75.4	1.1	8.5	6.8	8.2
	Lan	B	586036	80.4		4.8	5	9.8
	Stir	B	580645	78.9		7.2	8.6	5.3
	Gla	B	529667	67.4	3.5	5.8	1.9	21.4
	Ren	B	463181	81.9		10.3	2.3	5.5
	Ren	B	458672	68.9	3.2	12.2	3.6	12.1
	Loth	B	435913	75.7	1.8	5.9	4.5	12
	Loth	B	432348	77.9	1	6	4.8	10.3
	Ren	B	416035	78.5	0.9	6.6	3.4	10.5
	Lan	B	412567	79	0.8	8.6	3.3	8.3
	Ren	B	400103	79.5	1.9	3.2	2.5	12.9
	Ayr	C	521618	73.5	0.1	5.2	12.7	8.5
	Stir	C	480474	67.6	0.5	4.9	13.1	13.9
	Nor	C	407983	62	2.7	5.3	13.9	16.1
	Nor	C	396050	59	2.7	3.4	17.1	17.7
	Cla	C	384630	71.6	1.2		13.2	14
	Loth	C	366356	69.3	2.1	8.4	10.5	9.7
	Sou	C	342368	63.5	0.4	3.1	24.6	8.4
	NE	C	319017	67.2	1.4	3	13.6	17.8
	Nor	C	257830	47.2	1.1		38	13.7
	Sou	C	252689	55	1.6	2.7	28.6	12.1
	Ayr	D	389697	75.1	0.5	4.7	8.9	10.8
	Ren	D	372942	81.4	1.1	5.3	2.8	9.3
	Dum	D	359205	71.5	3.4		4.3	20.8
	Ren	D	343987	77.9	2.9	5.1	4.5	12.6
	Ayr	D	312402	79.3	1.2	3.2	4.3	12
	Stir	D	301207	75.6	0.4		7.3	16.7
	Loth	D	245084	81.8	0.2		9.6	8.4
	Nor	E	217740	53.8	1.9		29.5	14.7
	Nor	E	215825	70.6	2.7		14.2	12.5
	AB	E	182668	59	1.6		22.3	17.1
	Bor	E	162825	55.4	0.4	0.4	10.8	33
	AB	E	160737	60.8	3.6		11.1	24.5
	Stir	E	159625	62.4	2.4		24.2	11
	Sou	E	134963	50.5	1.6		47.9	

Appendix A provides the figures on which the above percentages are based.

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A graphical comparison of the relative contribution made by the individual income streams related to total income is provided for each Group in the following pie charts.

INCOME SOURCES BY GROUP

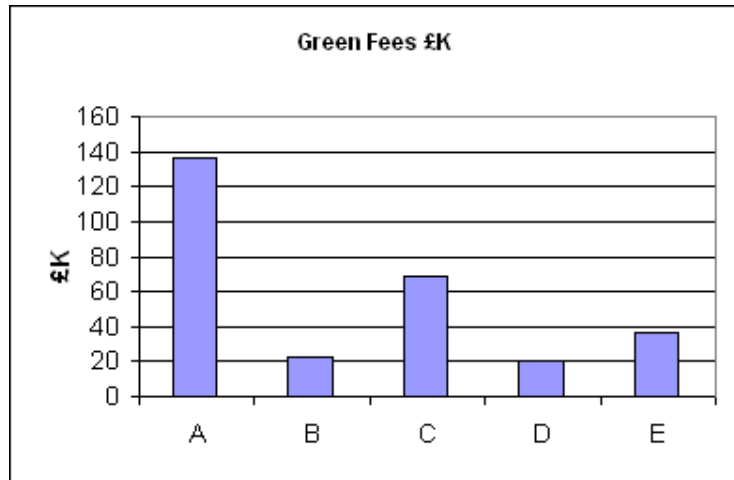
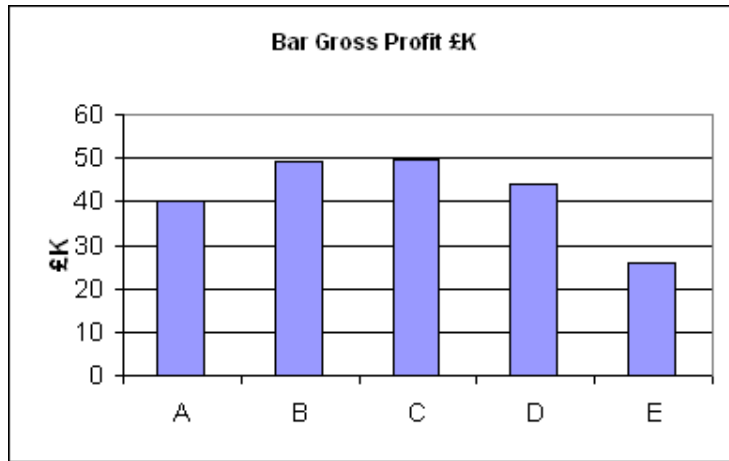
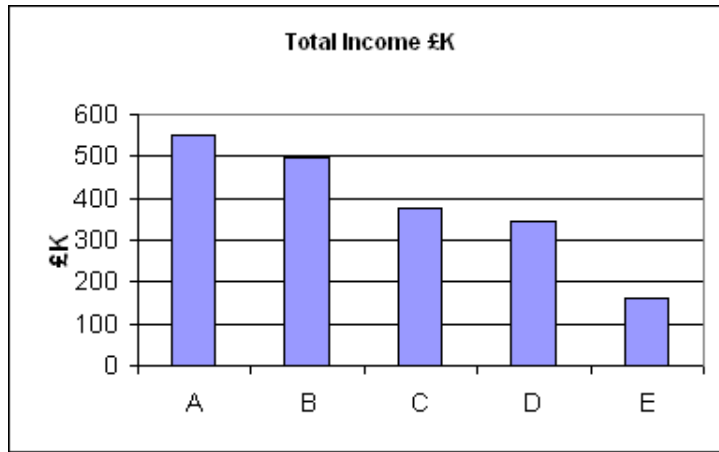


- The relative contribution of subscriptions, entry fees, visitor income and bar gross profit is very similar for Groups A and C and for Groups B and D.
- Clubs in Groups A and C have significant visitor income while, in comparison, the visitor income in Groups B and D is modest. Subscription income is clearly the major source of income for all clubs but particularly so for clubs in Groups B and D
- Clubs in Group E do not attract entry fees and are heavily reliant on visitor income.
- It should be noted that the 'Bar Gross Profit' share 'of the cake' provides a false impression of the contribution of bar income to club finances. When bar wages and ancillary costs are deducted, actual net profit arising from bar takings in most clubs is very modest indeed.

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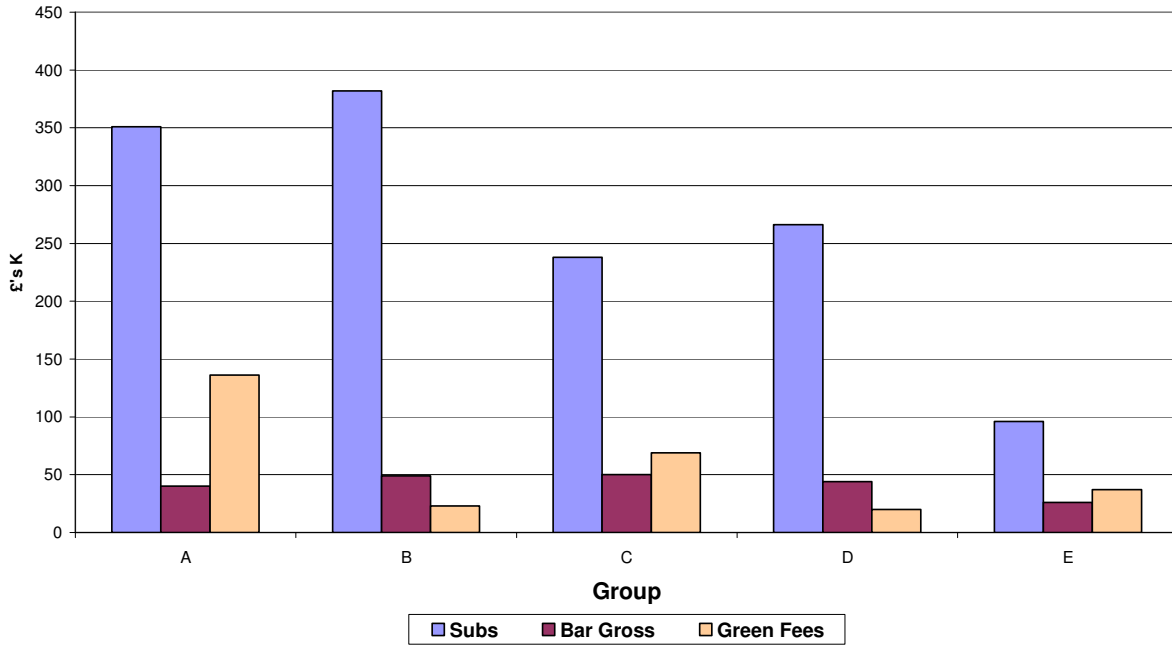
A graphical quantitative comparison of magnitude of total income, bar gross and visitor income for Groups A-E follows.

MEDIAN INCOMES BY GROUP



The relative contribution of subscription income, bar gross profit and visitor income is quantified for each Group in the following bar chart and related table.

CONTRIBUTION OF MEMBER SUBSCRIPTIONS v VISITOR INCOME v BAR GROSS



The difference in operational 'scale' of Group A and B clubs in comparison with those in Group E is clearly evident in the table below which records median values for each group.

Group	Subscriptions		Bar Gross Profit		Visitor Income	
	Income	%	Income	%	Income	%
A	350555	66.6	40236	7.6	136143	25.8
B	382246	84.2	49146	10.8	22835	5
C	238438	66.8	49565	13.9	69090	19.3
D	26590	80.6	44374	13.4	19951	6
E	95903	60.2	26215	16.5	37124	23.3

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The table below identifies the percentage change from 1998 to 2006 in the major income streams of clubs. This provides an insight into the current 'health' of clubs with respect to their group and also identifies areas of concern.

INCOME COMPARISONS - % CHANGE 1998 to 2006

Club	Group	Subs	Entry Fees	Visitors	Bar Gross	RPI	Ave. Earnings
			(Percentage Change 1998 - 2006)			% increase	% increase
	A	70.1	85	152	38	21.6	38.6
	A	60.8	24	34.2	6.4		
	A	73.6		31.3	7.2		
	A	54.7	-77	28.2	73.9		
	A	91.6	290	13.4	33.1		
	B	68.5	185.8	2	7.2		
	B	88.5	75	-5.5	-1.6		
	B	64.2	33.7	104.1	93.7		
	B	72	130	84.8	48.9		
	B	64.7	65.2	37.2	0.5		
	B	49.8	127.4	42.9	43.2		
	B	64.8	452.8	5.1	-1.1		
	B	43.8	-28.3	10.2	44.2		
	B	45.2	20	109.6	59.3		
	B	38.7	112.5	0	43.5		
	C	45.7	114.5	32	91.6		
	C	50.2	10.8	-17.6	57		
	C	60.7	1	-17.6	32.9		
	C	64.5		64.6	20.8		
	C	25.7	-4.3	66.5			
	D	83.7	62	32.3	-0.4		
	D	23.6	28.8	23	2.8		
	D	40.4	-12.8	29	53.6		
	D	18.4		13.4	14.4		
	D	16.7	Removed	79.8	9.9		

The figures in red type represent percentage changes in income between 1998 and 2006 that are below the Retail Price Index for the period under review. (Increases in RPI and average earnings in the period were 21.6 and 38.6 respectively.)

Median % Increase 1998 to 2006 by Group			
Group	Subs	Visitor Income	Bar Gross Profit
A	70.1	31.3	33.1
B	64.5	37.2	43.8
C	60.7	32	44.8
D	23.6	23	9.9

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Median % increases for Groups A-C are reasonably similar but the relatively poor performance of Group D clubs in all three areas is identified.

A question in the 2007 Golf Club Survey was “What is the percentage split between Visitor Income and Member Subscriptions?”

This has been quantified for the under noted clubs for both 1998 and 2006 and the percentage change in the Subscriptions percentage over the period is listed in the right hand column and provides evidence of the increasing dependence on subscription income.

Club	Area	Group	1998		2006		Change
			Subs %	Green Fee %	Subs.%	Green Fee%	Subs +%
	NE	A	66.9	33.1	67.2	32.8	0.3
	NE	A	51.3	48.7	55.8	44.2	4.5
	Loth	A	75.1	24.9	82.1	17.9	7
	Nor	A	68.5	31.5	72.4	27.6	3.9
	Loth	A	69.6	31.4	79.5	20.5	9.9
	Loth	B	91.1	8.9	93.1	6.9	2
	Loth	B	93.8	6.2	96.4	3.6	2.6
	Loth	B	86	14	89	11	3
	Gla	B	91.6	8.4	91.8	8.2	0.2
	Stir	B	88.4	11.6	90.1	9.9	2.7
	Ren	B	97	3	97.2	2.8	0.2
	Ren	B	93.6	6.4	95.1	4.9	1.5
	Loth	B	92.8	7.2	94.4	5.6	1.6
	Loth	B	93.7	6.3	94.2	5.8	0.5
	Lan	B	94.4	5.6	96.6	3.4	1.1
	Stir	C	80.6	19.4	83.8	16.2	3.2
	Nor	C	71	29	81.7	18.3	10.7
	Nor	C	56.1	43.9	77.5	22.5	21.4
	Loth	C	83.5	26.5	86.8	13.2	3.3
	Nor	C	52.4	47.6	55.4	43.6	3
	Sou	C	70	30	65.8	34.2	-4.2
	Ayr	D	85.8	24.2	89.4	10.6	3.6
	Ren	D	96.6	3.4	96.6	3.4	0
	Ren	D	93.9	6.1	94.6	5.4	0.7
	Stir	D	90.8	9.2	91.2	8.8	0.4
	Loth	D	83.9	16.1	89.5	10.5	5.6

The median split in 2006 between subscriptions and visitor income by Group was as follows:

Group	Subscriptions	Visitor Income
A	72.4%	27.6
B	94.3	5.7
C	79.6	20.4
D	91.2	8.8

OBSERVATIONS ON CLUB INCOME SOURCES

Subscriptions

In all Groups (A-E) the principal source of income is clearly derived from membership income and accounts for an ever increasing proportion of club income.

With reference to the table on page 6, a comparison of total subscription income growth in all clubs in Groups A-C was considerably above both RPI and average earnings. In Group D two clubs were below RPI. This was due to the fact that they had membership recruitment issues and were operating below their full complement of ordinary members.

The inability of some clubs, particularly in Groups D and E, to replace 'lost' members is a major concern. Many of these members are not 'lost' to the game but are attracted to clubs in Groups A-C.

*Quotes: 'Lose members every year to 'better' courses'
'Keeping membership figures at the present level in competition with other clubs'
'Maintaining only an inflationary increase in subscription each year whilst generating enough visitor income to improve our facilities'*

Of the clubs making their accounts available and which included details of the annual fees, the average subscription for ordinary membership for 2007 by Group was as follows.

Group A	Group B	Group C	Group D	Group E
£ 696	£ 662	£ 422	£ 499	£ 271

Entry Fees

There is a perception in golf that entry fees for club membership are 'a thing of the past'. This is not an accurate interpretation of the current situation.

As can be seen in Appendix A, all clubs in Groups A and B continue to derive substantial income from entry fees although in a number of cases it is a major challenge to maintain entry fees in the face of declining waiting lists. Comparing 1998 with 2006 there were only two clubs (both in Group D) who imposed an entry fee for membership in 1998 but could not sustain this by 2006.

Where clubs can replace lost members and still attract an entry fee the additional revenue is substantial and makes a major contribution to the purchase and replacement of capital equipment for the golf course.

For example, a Group B club, in order to cover the cost of projected clubhouse renovation increased the annual subscription by 13% against an inflation rate of 3%. As a result a greater than normal number of members resigned. The club was able to replace the resignations and took in £56K in entry fee income (the equivalent of 97 ordinary members' subscriptions!)

Numerous clubs in Groups A and B still require new members to pay a joining fee set at the Annual Subscription x2. It is certainly true that waiting lists have been considerably eroded or completely exhausted. However, with a variety of marketing strategies, resignations can be replaced with new members – regrettably, sometimes at the expense of Group D and E club memberships.

The continuance of entry fees is so important to some clubs that they are opting to operate with less than their full complement of members rather than dispense with entry fees.

*Quotes: 'Maintaining current numbers and a waiting list'
'Maintaining membership loyalty with the ease in which a member can leave and have a choice of immediate entry into numerous golf clubs'.
'The increasing cost of membership and the consequent potential to reduce or eliminate our waiting list which would further exacerbate our increasing cost problems'.
' We rely on joining fees for major projects'*

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Visitor Income

Visitor income is of considerable importance to clubs in Groups A, C and E and in an overall financial context, is less important for clubs in Groups B and D.

In the period 1998 to 2006 the median visitor income in Groups A-D exceeded RPI. However, as shown in the table at the top of page 6, for a number of individual clubs, the growth in visitor income was below RPI and two clubs in Group C had negative growth. In virtually all clubs the percentage contribution of visitor income compared to subscription income is declining year on year.

Discounted golf is an issue in Scottish golf and an attempt was made to assess its effect on the distribution of visitor income. Group A clubs are the leaders in visitor income and none of the clubs in that group in the survey used any of the 2 for 1 discounted schemes.

Group C clubs are second in the visitor income 'league'. Of these, the club with the highest visitor income uses all four schemes, the second club does not use any of the schemes and the third top earner in the group uses two of the four available schemes!

Group B clubs derive only around 5% of their income from visitors and in general do not discount green fees (there is some support in this group for the more up market Open Fairways scheme).

Similar to Group B, Group D clubs derive around 6% of their income from visitors. In this group, however, most utilise some, if not all, of the four schemes. All Group E clubs use one or more of the discount schemes.

Comparing the respective visitor income performance, no clear evidence was found to indicate that those clubs discounting visitor fees are either at an advantage, or disadvantage to non-users in their group. A wider analysis would be required before a definitive conclusion could be drawn on this issue.

Bar Gross Profit

As can be seen from the table at the top of page 6, in the period 1998 to 2006 the percentage change in Bar Gross Profit was very variable. While approximately half of the sample had Bar Gross Profit growth above RPI (some substantially above) the other half were below RPI. Some clubs had negative change in bar gross income in the review period.

The instances of less than inflation return from bar income affected all groups but was most significant in Group E.

The relatively poor returns from the bar operation at a significant number of clubs is consistent with the perceived decline in the use of the clubhouse and the advent of the 'car park golfer'.

To counteract the reduction in bar takings it is evident that clubs have increased the % profit over the years. This is illustrated in Appendix C for a Group D club where the gross profit % has increased from 27% to 41% over the years. In the range of clubs subject to this analysis the gross profit % in 2006, ranged from 38.8 to 50.7 with a median of 47.5. The equivalent median twenty years ago was 31%. The rise of gross % profit from bar sales for a typical club (Group D) is provided in Appendix B.

As an additional measure to boost income from the bar an ever increasing number of clubs have introduced a bar levy / bar voucher system.

Quote: 'Last year we suffered a substantial drop in bar income and this has continued this year. At present we do not use a loyalty card but this is under review.'

Gaming Machine Income

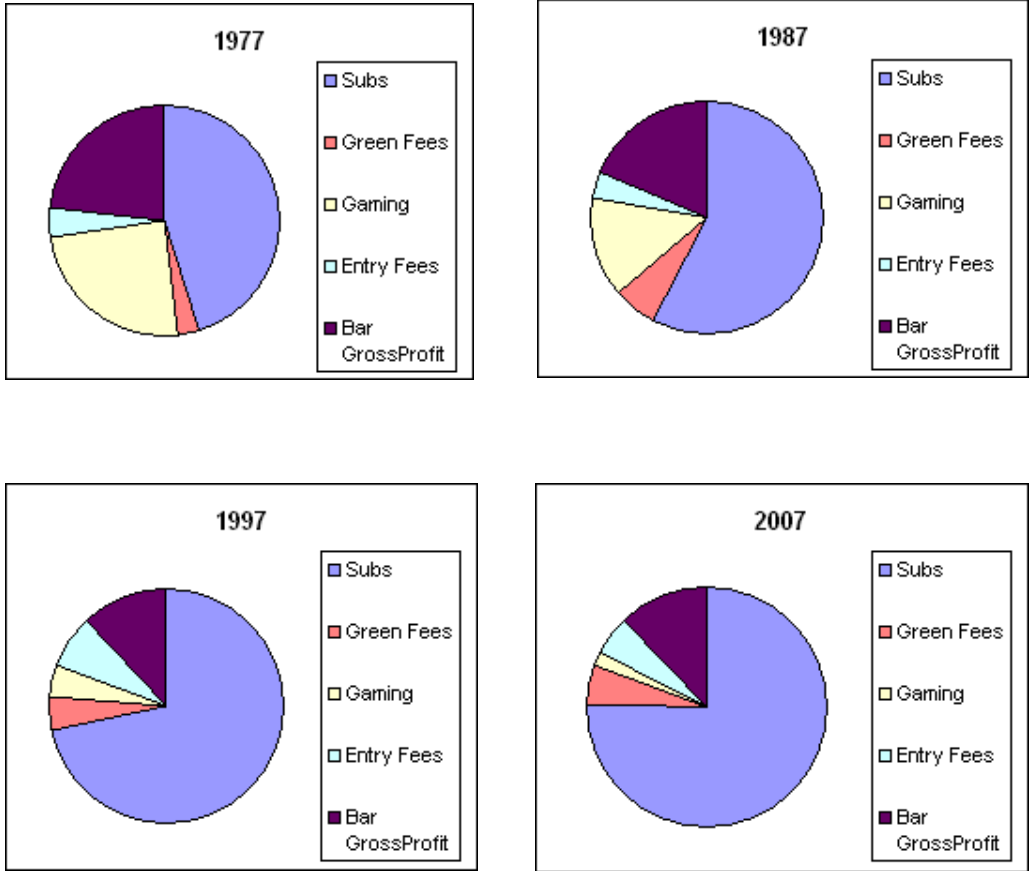
In the 'seventies and 'eighties gaming machines accounted for around 20-25% of income in many golf clubs. This 'soft' source of income has declined dramatically, however, over the years due to a number of factors including:

- The introduction of the national lottery and scratch cards as an alternative method of having 'a flutter'
- The increasing complexity of fruit machine operation! (Speaking personally!)
- Most significantly, the current high costs of machine rental and duty, typically c£8000

The income from this source has declined over the years to the extent that in some clubs gaming machines have been removed.

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The dramatic decline in relative income from gaming machines for a Group D club is illustrated below. The increasing reliance on subscriptions to meet operational costs is also clearly evident.



Quote: 'The decline of previous income streams e.g. fruit machines and the difficulty of persuading members to use the club bar and catering facilities and to support club social functions.'

EXPENDITURE

The principal areas of club expenditure are broadly Course, House and Administration. The spend levels and related percentages are detailed for the survey clubs below.

Club	Area	Group	Course		House		Admin	
				%		%		%
	NE	A	366035	55.7	154209	23.5	136078	20.8
	NE	A	336632	61.7	101356	18.6	107650	19.7
	Fife	A	298170	48.9	194458	31.8	117544	19.3
	Nor	A	276164	51.7	138677	26.0	119319	22.3
	Ang	A	234290	49.5	127925	27.0	111041	23.5
	Loth	A	220616	45.8	160398	33.2	100906	21.0
	Loth	B	301699	48.2	150704	24.0	173725	27.8
	Stir	B	294554	49.3	172378	28.9	130131	27.8
	Loth	B	290456	49.9	210478	36.2	81125	13.9
	Gla	B	251518	46.7	120786	22.4	165956	30.9
	Lan	B	242140	59.0	64672	15.8	103318	25.2
	Ren	B	218896	60.3	68308	18.8	75870	20.9
	Loth	B	180462	39.2	113174	25.6	166632	36.2
	Loth	B	175876	48.5	85835	23.7	100761	27.8
	Ren	B	154219	41.7	129907	35.1	85658	23.2
	Lan	B	226720				132265	
	Gla	B	221042		122422		84046	
	Ren	B	191265		10198		75034	
	Ren	B	160064		100797		127256	
	Ayr	C	250814	51.4	103363	21.2	133676	27.4
	Cla	C	215740	62.3	55454	16.0	75173	21.7
	Stir	C	186752	46.1	107252	26.5	110672	27.4
	Nor	C	173584	55.9	63361	20.4	73529	23.7
	Loth	C	162073	50.3	82796	25.7	77500	24.0
	Nor	C	125001	45.2	71241	25.7	80451	29.0
	Sou	C	119190	41.9	71064	25.0	94177	33.1
	Stir	D	211003	56.3	118925	31.7	44965	12.0
	Ren	D	171286	47.7	84165	23.4	103561	28.9
	Ayr	D	154711	43.9	129240	36.6	68846	19.5
	Loth	D	135343	49.1	67376	24.4	73141	26.5
	Ren	D	134561		87356		68841	
	AB	E	72835	41.6	53460	30.5	48986	27.9
	Nor	E	121595	54.6	64499	30.0	36433	16.4
	Bor	E	107043	53.0	71228	35.4	23351	11.6

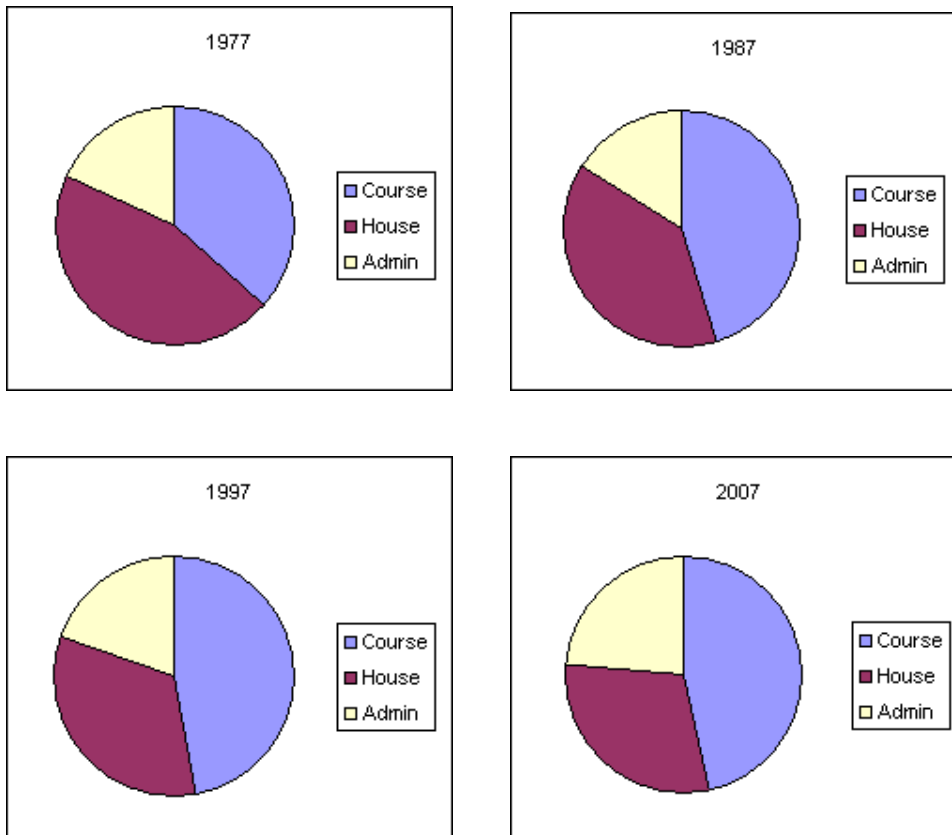
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Calculating the median value for each of the areas of spend and relating these to the respective Groups produced the following:

Group	Course Median Spend		House Median Spend		Admin Median Spend	
	£	%	£	%	£	%
A	£287167	52.4%	£146443	26.7%	£114292	20.9%
B	£221042	50.1%	£116980	26.5%	£103318	23.4%
C	£173584	53.4%	£71241	21.9%	£80451	24.7%
D	£154711	49.8%	£87356	28.1%	£68846	22.1%
E	£107043	51.5%	£64499	31%	£36433	17.5%

There is a remarkable consistency in each of the areas of expenditure over the five Groups reviewed.

To examine the spend patterns on a historical basis, the Course, House and Administration spends for a Group D course are shown below for the years 1977, 1987, 1997 and 2007.



The following points are relevant in reviewing the areas of expenditure:

- Between 1977 and 1987 the expenditure on the course showed considerable growth at the expense of house expenditure.
- Since 1987 the proportion of expenditure attributed to Course has remained static.
- With the declining use of the clubhouse and its associated facilities, the proportion of expenditure attributed to House has continued to fall and is balanced with the increased spend associated with Administration.

Historically the spend on the golf course has exceeded inflation over the years and is quantified for a number of clubs in Groups B and D in the period 1985 - 2006 .

Club	1985 Course Spend £	2006 Course Spend £	Increase factor
	46274	242140	x5.2
	38255	171286	x4.5
	31020	181866	x5.8
	36761	128648	x3.5
	35891	154219	x4.3

Between 1985 and 2006 the increase in RPI and average earnings was x2 and x3 respectively.

In addition to the day to day expenses of operating the golf course, clubs are also required to replace expensive machinery – fairway and green mowers, vertidrainers etc. Increasingly this is being financed by leasing arrangements at an annual cost of upwards of £40K. Finding the finance for expenditure in this area is a huge challenge for many clubs.

OTHER ISSUES

Course

It is generally accepted that the golf course is the primary asset of a golf club. Members demand year round play on a well maintained and well presented course. To satisfy these demands the club must invest heavily in manpower, machinery and equipment and provide the resources to combat climate change where appropriate. The challenges that our member clubs face is encapsulated in the following quotes most of which come from clubs in Groups D and E.

- 'Shortage of funds, preventing update of machinery for course maintenance.'*
- 'Climate change and possible effect on coastline'*
- 'Golf course sustainability and need for improvement'*
- 'Re-construction of course – several greens sinking and prone to flooding'*
- 'Increased debt burden. Thus unable to develop course as we would like'*
- 'Greenkeepers' facilities need upgrading but lack of funds inhibits this development'*
- 'Addressing realities of climate change with respect to wetter weather requiring renewal of antiquated drainage system'*
- 'Lack of funds available to keep course to an acceptable standard'*

Legislation

Clubs particularly in Groups A and B are finding compliance with the increasing legislation affecting golf clubs to be onerous and time consuming as the following quotes demonstrate.

- 'Ever increasing imposition of 'red tape' in matters of Health & Safety, Employment Law etc.'*
- 'The amount of legal constraints. More and more rules and regulations with H&S, CPP, HR to name a few. Too much red tape.'*
- 'The ever pressing rate of legislation and the resulting cost of expertise to deal with it.'*
- 'Increasing workload re H&S and Bar Licence changes.'*

Equality

Equality continues to be an issue with clubs in the West of Scotland in which Lady Members pay significantly reduced fees with restrictions in playing and voting rights. These concerns are summarised in the following quotes

- 'Our Ladies do not want equality and a neighbouring club introduced it and had to reverse the decision.'*
- 'Equality will kill off Ladies golf at our club and put further burdens on other members.'*

In the West these are not isolated comments and concerns.

Membership

In reviewing the most pressing issues section of the survey and the associated responses from member clubs, by far the most frequently listed concerns were related to membership issues – falling waiting lists, member recruitment, membership retention and maintaining membership levels. These concerns were expressed in a variety of ways:

- 'Age of membership (average 58) and the consequences of not retaining juniors.'*
- 'Keeping membership figures at the present level in competition with other clubs.'*
- 'Attracting new members to maintain membership levels.'*
- 'Lack of members.'*
- 'Membership decline'*
- 'Falling waiting lists.'*
- 'Falling membership resulting in less income therefore increasing subscriptions for the remaining members.'*
- 'Retaining existing members and attracting new members.'*
- 'Drop in membership resulting in special offers being made.'*
- 'High turnover of membership - 15% p.a.'*

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SUMMARY

It was not surprising to find that the most pressing problems currently facing member clubs are related to membership issues:

- Dwindling or non-existent waiting lists.
- Difficulty in maintaining a full complement of members in all categories.
- Retention of members including juniors (and the low numbers continuing into adult membership).
- Loss of members to neighbouring clubs perceived to offer better value / facilities.

While visitor income and bar profit revenues continue to be important to the financial well-being of clubs, the analysis demonstrated that subscription income is providing an ever increasing proportion of total income.

To assure financial stability and allow for future planning it is vital that clubs maintain optimum levels of membership and, where appropriate, continue to attract entrance fees. Without this assurance, the ability of clubs to invest in the golf course which is essential to satisfy the expectations of golfers, will be significantly compromised with damaging consequences.

It is clear that very many clubs have made admirable efforts to ease the transition of juniors into adult membership. Despite these efforts the annual shortfall through resignations requires external recruitment and accomplishing this to the required level is proving increasingly difficult.

The challenge therefore is to encourage a higher percentage of the population to take up the game (or return into club membership) embracing not only teenagers but also those in the age group with disposable income and a desire to actively participate in sport i.e 35-55 year olds. This is consistent with current adult fitness initiatives being considered at National level and one of the prime Scottish Golf Union objectives 'to grow the game'. Such an initiative would complement the clubgolf programme.

'Golf – a Game for Life'

APPENDIX A

Club	Area	Group	Income	Subs	Gaming	Entry Fees	Green Fees	Bar Gross
	NE	A	769501	483538		34996	235778	25770
	NE	A	694084	346185	727	15716	273899	41041
	Fife	A	614280	373664		18745	177965	
	Nor	A	576228	301800	8353	3800	114972	112847
	NE	A	556755	334229		13088	106668	31663
	Loth	A	534807	345184		51743	89281	37125
	Ang	A	468594	331692		12925	97742	28006
	Loth	A	482251	399448	1593	42558	87019	29984
	Loth	B	685013	513374	1903	59634	37781	44700
	Loth	B	622358	440882	7555	37088	54565	57678
	Loth	B	605978	532783		53455	19763	39630
	Stir	B	600217	458174	-817	42027	50146	30296
	Gla	B	556321	447353	6626	50602	40115	48407
	Lan	B	502112	471152	-725	28366	29178	57340
	Gla	B	486300	356925	18503	30970	10057	113212
	Lan	B	459944	326038	3400	35356	13597	34176
	Ren	B	458808	315878	14734	56113	16395	55552
	Loth	B	456532	330180	7876	25751	19726	52380
	Ren	B	435314	326729	3783	27503	14206	43814
	Ren	B	413042	317995	7431	12684	10042	51951
	Ren	B	408473	379228		47865	10878	25210
	Loth	B	404392	336714	4159	25749	20832	44894
	Ayr	C	515170	383226	530	26995	66221	44646
	Stir	C	482590	324900	2186	23770	62986	66632
	Nor	C	427900	252903	10948	21722	56625	65785
	Cla	C	408739	275227	4556		50936	53911
	Nor	c	396050	233834	10573	13540	67876	70227
	NE	C	372438	214228	4507		43324	56958
	Loth	C	351299	253950	7573	30624	38554	35655
	Sou	C	349875	217326	1499	10772	84150	28621
	Sou	C	281556	139021	4144	8803	72175	30546
	Nor	C	275661	121660	2738		97883	35549
	Ren	D	395617	303721	4072	19878	10614	34657

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Dum	D	378380	256885	12116		15378	74826
Ayr	D	376079	292721	1913	18250	34844	41969
Ren	D	360273	267960	9960	17410	15311	43346
Ayr	D	309259	247867	3866	9850	13522	37297
Stir	D	307285	227658	1067		22081	50421
Loth	D	277836	200444	546		23582	20512
Nor	E	275009	117189	9344		64328	32011
Nor	E	235250	152265	5722		30713	27105
AB	E	186937	97658	5825		17814	39440
AB	E	185592	107739	2884		40781	31264
Bor	E	171672	90210	700		17513	53682
Stir	E	155783	99652	3867		38654	17482
Sou	E	152372	68208	2216		64539	