

THE CCL BAROMETER

A FINANCIAL ANALYSIS OF YOUR CLUB

accounts year-ending July 2020



Anytown Golf Club



Contents of Your Barometer Report

Page 3 – Why is benchmarking important? A short summary highlighting the need for a dashboard of key performance indicators, so that we may all take a much needed business-like approach within our industry.

Page 4 – Your accounts. No two sets of club accounts look alike, so the CCL Barometer applies an “apples to apples” process to ensure that our comparisons are truly meaningful to you. No need for you to enter any data. We do all the work for you, including regular checks to ensure that we are interpreting your final year end accounts appropriately.

Page 5 – Your accounts benchmarked – traffic light style A single page with clear indicators that show you how your club is performing against clubs of equivalent size. The familiar red, amber, green traffic light system is used so that anyone can see at a glance how the club is performing. We have even created 2 shades of amber, so that you can tell if you are above or below the average for that performance measure.

Page 6 – Your sources of profit, and your sources of expenditure - analysed with the use of pie charts to highlight if you are over/under performing or over/under spending in any particular area of operations.

Page 7 – A graph revealing the green fee revenue generated by industry peers, depending upon the green fee charged. Your club is plotted in red.

Pages 8 onwards – Insight emerging from the analysis of your accounts. Three pages of insightful observations that emerge from our discussions with you the club manager, highlighting the stories behind the numbers. CCL has access to dozens of KPIs benchmarked against over 125 clubs nationwide, from which we can further analyse any area of operations that help you and your Committee arrive at the right decisions for your club.





Two Golf Club Captains walk in to a golf club bar....

It sounds like the start of a joke doesn't it, but think for a minute about that scenario. Those two Club Captains would compare experiences, and inevitably this would turn to comparing performance at their respective clubs.

But what exactly would they compare?

The price of their open days, the cost of fish and chips, free coffee refills, a member's guest rate or perhaps the number of greenkeepers they employ? They may return to their respective clubs with a new vision of what good looks like, and how they may want to be more like the club down the road.

In reality, none of these topics discussed truly evaluate the financial performance at their clubs, and until now our industry has not helped Office Bearers to evaluate performance in a business-like manner. This has often led to much wasted time around the board table and I am sure much frustration amongst volunteers and managers who strive to run their clubs in a more business-like fashion.

CCL Ltd has now created a common set of metrics, financial indicators and critical industry ratios that are specific to golf that we can introduce you to. We have worked with your Club Manager to benchmark your accounts against more than 125 other UK based private members golf clubs, and we look forward to exploring these insights with you.

For the purpose of this analysis, a club's size is determined by the price it charges for a standard midweek summer green fee.

LOW	Green Fee up to £35	(Clubs who charge visitors less than £2 per hole)
MEDIUM	Green Fee from £36 to £71	(Clubs who charge visitors more than £2 per hole)
HIGH	Green Fee at and above £72	(Clubs who charge visitors more than £4 per hole)

We look forward to working with you, and helping your club do the right things, right.

Kevin Fish CCM



Anytown Golf Club**Accounts Year-Ending: 31 July 2020**

To provide meaningful comparisons our financial modelling applies the following strict accounting protocols.

OPERATING ACCOUNT		CAPITAL ACCOUNT	
Subscription Income	440,000	Entry Fees & Other Capital Income	10,000
Golf Operations Income minus Cost of Goods Sold	85,000	(Bank Interest received, Income from a Club Asset [flat], Capital Levy, Capital Subscription, Profit / Loss from the Sale of Club Asset)	
F&B Income minus Cost of Goods Sold & F&B Payroll	5,000		
Other Income (Lockers, Sponsorship, Grants, Miscellaneous Income)	15,000		
Total Gross Profit	545,000	Total Capital Income	10,000
Overheads - Golf Course (excluding Leasing Costs)	230,000		
Overheads - Admin	95,000		
Overheads - House	85,000		
Overheads - Fixed Costs (Rent / Rates, Insurance, NGB, Taxes and Interest paid)	55,000		
Overheads - Golf Ops Payroll (Pro costs / Starters)	30,000		
Overheads - Membership Costs (Social Costs, Juniors, Team Matches, etc.)	5,000		
Overheads Total	500,000		
Net Profit	45,000	Total Capital Income	10,000
Net Profit + Total Capital Income equals		55,000	
Deduct Annual Leasing Costs of		15,000	
Leaves Capital Funds Available of		40,000	
Deduct Depreciation of		35,000	
Equals		5,000	

The stated profit/loss in your club accounts is £5,000

Any difference between these two figures is explained within the personalised summary which follows.

This executive summary is personalised to your club.

It provides key data with R-A-G indicators as compared to other clubs in your tier: Low

FINANCIAL ANALYSIS

Cash in Hand	£50,000	Months O/Heads in Hand	1
Commercial Debt	£120,000	Debt Ratio	18%
Net Profit	£45,000	Net Profit Margin	7%
Capital Funds Available	£40,000	CFA Ratio	6%
Remaining Funds Available	£5,000	Payroll Ratio	46%

YOUR SUBSCRIPTION ENGINE ACCOUNTS FOR 81% OF YOUR CLUBS GROSS PROFIT

Full Membership Numbers	440	Resignation Rate	11%
Equiv Full Subs Payers	402	SMGF:Subs fee Ratio	34

YOUR GOLF OPERATION ACCOUNTS FOR 16% OF YOUR CLUB'S GROSS PROFIT

Visitor Revenue	£85,000	Golf Operations Payroll %	35%
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YOUR FOOD AND BEVERAGE OPERATION ACCOUNTS FOR 1% OF YOUR CLUBS GROSS PROFIT

Combined F&B surplus/loss	£5,000	F&B Contribution per EFM	£12
Bar Revenue	£120,000	Bar Surplus	£5,000
Bar Gross Profit	52%	Bar Staff Wages	48%
Food Revenue	notapp	Food Surplus	notapp
Food Gross Profit	notapp	Food Staff Wages	notapp

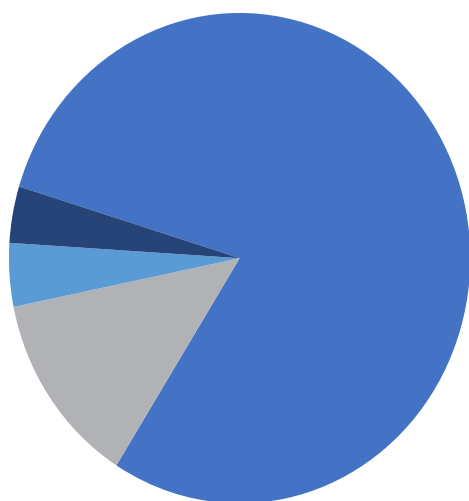
Overview of Sources of Gross Profit and Overheads

Anytown Golf Club

Year-Ending 31 July 2020

Low Tier

Where do we
make our
money?



YOUR TIER

79%

13%

4%

4%

SOURCES OF GROSS PROFIT

Revenue - Subscriptions
Surplus - Golf Operations
Surplus - Other
Surplus - Food & Beverage

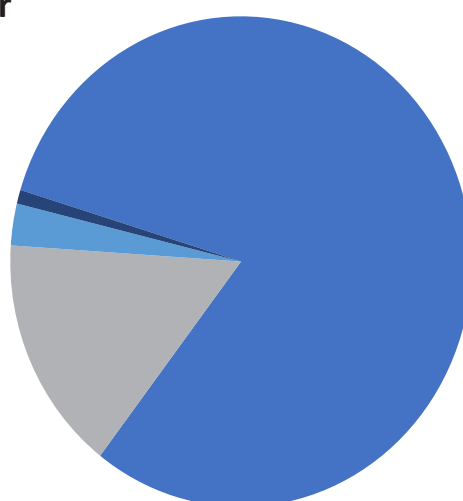
YOUR CLUB

81%

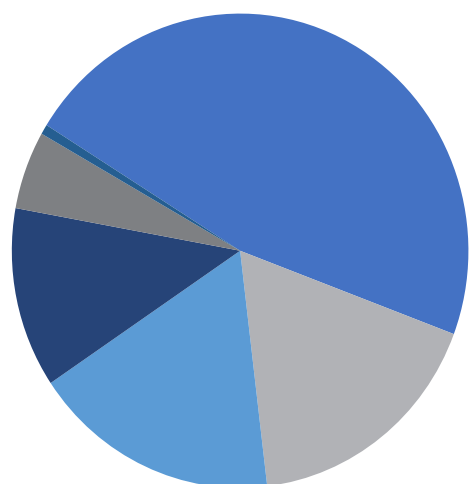
16%

3%

1%



Where do we
spend our
money?



YOUR TIER

47%

17%

17%

12%

5%

1%

OVERHEADS

OH - Course
OH - Admin
OH - House
OH - Fixed
OH - Golf Ops Payroll
OH - Membership

YOUR CLUB

46%

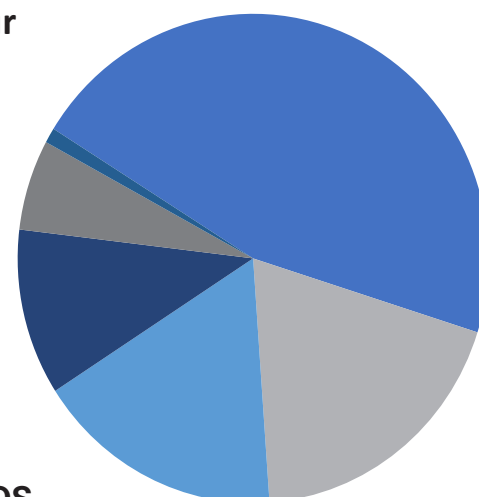
19%

17%

11%

6%

1%



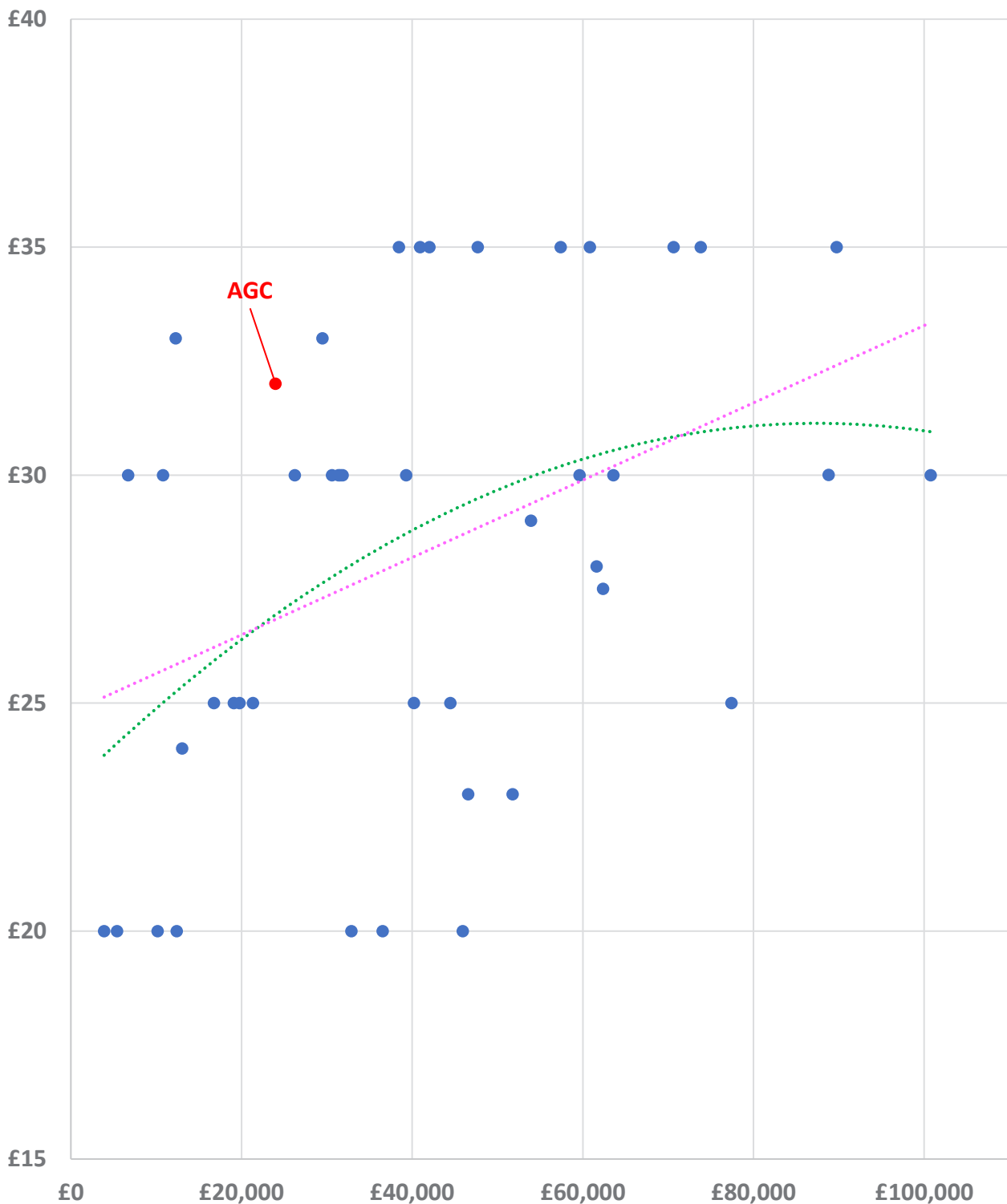
How much Visitor Revenue do our Midweek Green Fees generate? How does that compare to other clubs ?

This chart plots Visitor Revenue against Midweek Green Fees (MWGF) for clubs in your tier. The trendlines show the correlation between these two values.

The pink dotted line shows a linear trend for the MWGF being charged to achieve specific incomes.

The green dotted line shows how clubs actually behave as income from MWGFs increases.

Your club is highlighted in red so that you can see where you sit relevant to other clubs in your tier.



In summary, this Barometer Report & Support Service explains where you were as a club going into this crisis, compared to over 100 private member golf clubs in the UK. Your standard midweek green fee of £30 places you in the lower tier of this analysis. From the analysis we have conducted together, we have established the following conclusions.

SUBSCRIPTION REVENUE

We begin with your main driver of gross profit, subscription revenue, comparing this against clubs nationally and within your tier of the industry. We explore membership numbers and resignation levels, as well as establishing the impact of other categories of membership and senior citizen discounts.

GOLF OPERATIONS

Golf Operations Profit is made up primarily of visitor revenue and competition income. We will again explore national averages as well as your own tier of the marketplace, and conduct an analysis of the impact of members guests on your revenue. There is a cost attached to operating a successful golf operation, and these costs will be analysed to ensure that you are efficient in this area. We will even consider the costs and benefits associated with a club that is exclusive to members, and reflect on your position within the marketplace using the green fee graph provided.

FOOD AND BEVERAGE OPERATIONS

Club Managers and Treasurers know that Food and Beverage Operations rarely contribute a meaningful financial contribution, and quite often run at a loss. This topic is laid bare in this section so that club committees can fully understand the costs associated with providing this member service. National and tier comparisons are given for levels of gross profit and staff wage percentages for food and bar operations. For those clubs operating or considering a franchise, this data is also revealed.



CLUB EXPENDITURE

Over time our industry has settled upon natural balance points for how we typically spend money across different departments. Our analysis uses the pie charts provided to reveal if your club adheres to these established norms, or whether it overspends or under spends in any area, and more importantly, whether this is an intentional business decision, or not. We can compare expenditure levels in a range of typical items and will conduct a review of payroll costs both across the business as a whole, and on a departmental basis if required.

OVERALL REVIEW OF CLUB'S FINANCIAL POSITION

In golf's long history, many clubs have been living a hand to mouth existence and this current lockdown crisis has focused attention on how robust our foundations and our futures are. In this section we discuss appropriate cash reserves, including the number of months of overheads available to you compared to industry norms.

Many clubs carry a level of commercial debt, perhaps through machinery leasing commitments or bank loans. We share those industry norms and explore any red flags.

Together we will review the level of capital expenditure available to you, in order to continue to make your club attractive to the next generation of members, and we will conclude with some simple objectives for the Club Committee and members to consider.

Club leaders use this document for a variety of reasons –

- **A swing check of your club's performance,**
- **A tool to share your insight with your Committee,**
- **A document to help your members understand the transparent decisions you are making.**

We look forward to helping you to professionalise your industry.

Contemporary Club Leadership Ltd

Industry Insight ~ Guidance and Assurance ~ Empowerment

Club Governance Toolkit

Golf Course Audit and Plan

Club Operations Healthcheck

Recruitment Support

✓ Financial Analysis - CCL Barometer

Club Operations Health Check

Professional Survey of Your Members

Strategic Planning Support

Customer Experience - Staff Training

Clubhouse Manager Training

Club Manager Mentoring



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