

PRESTWICH GOLF CLUB NEWS

DECEMBER 2019



END OF YEAR UPDATE

MEMBERSHIP SUBSCRIPTIONS ~ COURSE CONSTRUCTION ~ FINANCIAL POSITION

MEMBERSHIP SUBSCRIPTIONS

Once again the PGC rumour mill is in full flow with stories of the 2020 subscription rates and the interim Jan / March rates circulating before the Board has officially announced the rates.

The previous newsletter (November 2019) stated that the target rate for subscriptions was to be £800 and that we were still looking at the interim arrangements.

The £800 target subscription rate still stands for when the new course is open and established and this is the rate that we are calculating future income on, however we realise this would not be acceptable for this year for the membership who are still enduring the upheaval created by the course reconstruction and the associated loss of 9 holes.

After very careful scrutiny of our financial position and being mindful of current and future commitments the board are pleased to advise that the full subscription rates for 2020 (1st April 2020 / 31st March 2021) will be £660 – which is the reduced rate offered to members over the previous two years + inflation of 10%. We are also pleased to confirm that our original commitment to offer the 1st Jan – 31st March interim rates FREE OF CHARGE can be achieved.

The rates for new members during the 2020 season will be along similar lines with the intention of building our membership base to increase revenue and make the club sustainable.

We trust this is acceptable to the membership (*Shareholders*) and rewards the remarkable loyalty shown to the club by them.

The Board have elected to prioritise the loyalty of members and are mindful of the potential consequences which reduces finances for outstanding projects, we may have to scale back on one or two or shelve them until income from increased membership makes them affordable.

COURSE CONSTRUCTION

The end of November and we should be reporting that the course reconstruction works are all completed and we are letting nature take its course and allowing the grasses etc. to develop into spring and then the final push from our own greens staff to manicure the course ready for our grand opening.

However only a fool would imagine that the final elements of the construction works would have proceeded on schedule if you consider the weeks and weeks of horrendous rain we have experienced which has prevented Greasley's even venturing onto the course for fear of creating further damage.

It is testament to their skill and endeavours that the earthworks for the final green and fairway are now completed, however they are now at the stage of seeding the fairways and the weather has beaten them once again. Seeding just will not germinate throughout the winter months and so they are reverting to Plan B which is to turf the final areas of fairway. This will allow the maturing required over the winter months and keep the planned launch dates on schedule.

It does however come at a cost of around £12k, a sum which the Board are trying to recoup from Mulberry, based on the facts that the majority of delays earlier in the year were attributable to them.

As we write the three way negotiations are ongoing.

For those who haven't already ventured onto the new sections of the course we strongly advise that you do and you will see what a unique golfing challenge the reconfigured course will present, a challenge to golfers of all abilities.

All we ask is please don't walk on newly seeded areas but view from the pathways and established grasses in the area.

EFFECTS ON INCOME

The past year has presented financial challenges for the Club, most of which were anticipated and provisions made for in the financial planning, however the weather and other elements have conspired to worsen the position.

Footgolf, which has provide a substantial income stream over recent years disappeared when we went onto the nine hole course.

Green Fees, which held up well over the summer months, when you consider we were offering a nine hole course, but over the last few months have dropped off significantly when the combination of bad weather and the evidence of the wear due to construction works has either driven them elsewhere or as we suspect have just looked out the window and decided not to play in the wet conditions.

Membership levels have held up well, we appreciate that we are now down to the core members who love and support the club through thick and thin but the flow of subscription income has dried up, down to the fact that so many took advantage of the two year deals etc. The up side is that we are still attracting new members despite our issues on the course.

The club was losing money prior to the land sale, let's face it that was the sole driver to sell the land in the first place. The board put in contingencies in the financial plan to cover the existing losses and anticipated losses of income. Unlike other clubs close by, we are no longer in debt and have the financial resources to cover these losses however the board are determined to manage our revenue in a way that allows the investments we have made for the long term stability of the club to remain intact. It would be easy to dip into these long term investments but it would start the slippery slope that has been the downfall of so many clubs that have benefitted from a land sale or other cash injection.

OUTSTANDING COMMITMENTS

The previous newsletter include a list of the projects that have been completed.

On the face of it the course reconstructions look complete however some elements were not included in the initial contract, because the timing meant that they could not be started until the new course works were established these elements still require funding.

These include:

- Bunkers filling with sand and final sculpting.
- Course signage and furniture.
- Refurbishment of existing pathways
- Construction of new pathways.
- Resurfacing of top car park
- Remodelling of main car park
- Practice net facilities.
- Official measuring
- Obtaining Standard Scratch certification
- Completion of fencing around existing first and sixth holes.
- Potential fencing requirements for the boundary of new 6th & 7th fairways to accommodate the revised Mount Heath Developments plans.
- Contingencies for if we are required to construct a new public footpath alongside the new 7th as per planning approval (*although we are in discussion with Bury MBC to eliminate this*)

and of course there are the outstanding commitments listed in the last newsletter such as the balcony, greens equipment wash etc.

The Board will continue to manage and monitor spending and modify schemes as required to remain within our financial targets.