

# **North Weald Golf Club**

## **Club Members' Meeting 16<sup>th</sup> January 2012**

### Agenda:

- Overview of the business
- Improvements in 2011
- Plans for 2012
- Funding proposal for 2012 projects
- Membership fees/pricing for 2012
- Q & A session

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Overview of North Weald Golf Club as a business

- 2004 to 2006 – initial turnaround
- 2007 to 2009 – takeover phase
- 2010 to 2011 – recovery phase

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Overview of North Weald Golf Club as a business  
2004 to 2006 – initial turnaround

- Set up Home Counties Golf & Leisure Ltd in December 2003 to acquire NWGC from receivers in Jan 2004
- ALS & family owned only 32% of HCGL
- Balance owned by external individuals
- Trading grew rapidly, turnaround almost complete by 2006
- 2006 housing announcement
- “Dissenting shareholder” buy out required

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Overview of North Weald Golf Club as a business  
2007 to 2009 – Takeover phase

- Buyout of “dissenting shareholders” funded by significant bank loans. Overall debt - £2m
- Loans secured against soil importation contracts
- Debt reduction targets achieved, golf business suffered.
- Golf Course re-developed

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Overview of North Weald Golf Club as a business  
2010 to 2011 – Recovery phase

- Golf Course reinstatement works undertaken
- Driving range built
- Operating costs were slashed
- Membership fees reduced
- Complete focus on success as a golf facility

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Overview of North Weald Golf Club as a business  
2010 to 2011 – Recovery phase

- 2011 golf club revenues, best to date at £830K gross
- Membership numbers 380, from a low of 240 during re-development works
- Healthy net trading profit in 2011 (EBITDA)
- Prudent 2012 projections indicate a net profit
- Bank debt at manageable and acceptable LTV level

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### Improvements in 2011

#### *Golf Course:*

- Additional drainage
- New features (5<sup>th</sup> fairway, 3<sup>rd</sup> & 10<sup>th</sup> tees, 1<sup>st</sup> & 18<sup>th</sup> ditch)
- General presentation (hard work and new equipment)

#### *Driving Range:*

- Additional lighting
- Balls replaced twice
- General presentation

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Plans for 2012

The Academy  
Junior Golf

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### Plans for 2012

#### *Golf Course:*

- Bring 3<sup>rd</sup> and 10<sup>th</sup> men's tees into play
- Re-shape men's 14<sup>th</sup> tee
- Build new men's 16<sup>th</sup> tee
- Continuously improve

#### *Clubhouse:*

- Relocate reception
- Introduce golf retail outlet
- Move golfers bar to first floor
- Build balcony overlooking 18<sup>th</sup> green
- Build manager's apartment on site
- Review catering services

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Funding proposal for 2012 Clubhouse projects

- £20,000 loan paid back over 5 years at £380 per month (total interest paid £2,800). Plus free membership while debt remains outstanding, or
- £10,000 loan paid back over 5 years at £190 per month (total interest paid £1,400). Plus 50% discount from membership while debt remains outstanding, or
- £5,000 loan paid back over 5 years at £95 per month (total interest paid £700). Plus 20% discount from membership while debt remains outstanding.

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Funding proposal for 2012 Clubhouse projects

Members loans - Home Counties Golf & Leisure Ltd., not North Weald Golf Club Ltd.

Security – ALS investments stand at £500k, a lifestyle family business, we are here because we want to be here.

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### Membership Fees for 2012

The issues:

- A majority of members play Saturday and Sunday mornings
- Winter – only 35 tee times for 18 holes
- Summer – maximum of 110 tee times for 18 holes
- The course is at maximum weekend capacity and we are yet to make a profit
- The current fees under-value the golf course

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### Membership Fees for 2012

*Full 7 day: £795 or £200 on day of renewal, plus 10 monthly payments of £70.*

*5 day: £670 or £200 on day of renewal, plus 10 monthly instalments of £60.*

*Int. A (22 to 25 years): £495 or £100 on day of renewal, plus 10 monthly instalments of £50.*

*Int. B (19 to 21 years): £325*

*Jnr. A (11-18 years): £195*

*Jnr. B (under 11 years): £100*

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To summarise:

- ***Overview of the business*** – stable and ready to move forward
- ***Improvements in 2011*** – Golf course and driving range.
- ***Plans for 2012*** - Academy, junior golf, clubhouse
- ***Funding proposal for 2012 projects*** – opportunity for members to help with clubhouse improvements and make money.
- ***Membership fees/pricing 2012*** - Increases essential and justified