

**The Development Proposals for
Kirkby Valley Golf Course
Ingoe Lane
Kirkby
L32 4SS**

**A Commentary from a Golf Market Perspective
and 'Very Special Circumstances'**

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Appendix 1: Background information on my professional experience

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1. Introduction

1.1 L32 Trading Ltd ('L32 Trading'), which is part of Green Circle Leisure, is proposing a major development upgrade to transform Kirkby Valley Golf Course into a 'state of the art' modern golf venue.

1.2 The company has submitted a planning application to Knowsley Metropolitan Borough Council for the scheme, and the venue is within the Green Belt.

1.3 National and local planning policies deems the following type of development to be '*appropriate*' in the Green Belt:

'the provision of appropriate facilities (in connection with the existing use of land or a change of use) for outdoor sport, outdoor recreation, cemeteries and burial grounds and allotments; as long as the facilities preserve the openness of the Green Belt and do not conflict with the purposes of including land within it'.

1.4 Any elements that are deemed '*inappropriate*', due to potential harm to the Green Belt, must be justified through demonstration of '*very special circumstances*'. The Planning Statement submitted in support of this planning application provides a detailed assessment of which elements of the proposal are considered to be '*appropriate*' in Green Belt terms, and which are acknowledged to be '*inappropriate*'. It also includes a commentary on the case for '*very special circumstances*' to justify approval of those parts acknowledged to be '*inappropriate*'.

1.5 I have been asked by L32 Trading to comment on their revised proposals for Kirkby Valley Golf Course and to supplement / reinforce the case for '*very special circumstances*' that has been made to date.

1.6 For 32 years I have specialised solely in UK golf property and business matters. In Appendix 1 is some information about the work I do.

- 1.7 I regularly comment on the topics of golf need and financial viability for golf use.
- 1.8 My clients include local planning authorities, golf course owners and operators, developers and investors, banks, accountants, lawyers and other chartered surveying firms needing specific advice relating to UK golf venues.
- 1.9 I have given expert evidence at planning inquiries and hearings over the years, and also for court and tribunal cases, on the issues of golf need, financial viability and worth.

2. Structure of my commentary

- 2.1 I start by briefly summarising Kirkby Valley Golf Course as it currently is from a property perspective.
- 2.2 I then briefly explain how the UK golf venue sector has evolved over the last 140 years or so. I will also explain the role of municipal golf courses over this time, and how they have generally fared in the last 20 years or so.
- 2.3 This should help provide useful background context regarding Kirkby Valley Golf Course's current predicament in its current physical configuration.
- 2.4 I then consider Kirkby Valley Golf Course's trading performance when it was run by Liverpool City Council, and more recently by L32 Trading.
- 2.5 I then comment on the UK golf sector's likely future needs to create and meet customer demand, particularly in the context of The R&A's vision for golf. The R&A is a leading body for golf globally. Its strategic objectives and statements about the game today, and its future, effectively provide a roadmap for those working in the golf industry to follow.
- 2.6 I then comment on L32 Trading's development proposals for Kirkby Valley Golf Course, and I also consider the project's financial forecasts and projected return on the estimated build cost.
- 2.7 I then consider the development proposals in the planning policy context of 'very *special circumstances*' and provide my overall conclusions.

3. Kirkby Valley Golf Course as it currently is from a property perspective

- 3.1 It is situated very close to junction 6 of the M57 motorway and lies to the north of the A506, Valley Road.
- 3.2 It comprises a basic quality 18-hole golf course with a greenkeeping compound, and an extremely poor clubhouse with car parking.
- 3.3 It was founded in 1928 and for over 80 years Liverpool City Council ran it as a typical municipal golf venue.
- 3.4 In 2013, due to heavy financial losses, the Council sought a new operator for the venue. L32 Trading were the successful tenderer, and from 2014 they have been operating it largely 'as is' whilst they worked up plans for the proposed major upgrade.
- 3.5 The clubhouse looks to have been built in the 1960s or early 70s. It is terribly tired and dated. It needs major investment to make it 'fit for purpose', or alternatively, it needs to be demolished and rebuilt. The proposal before the Council (which forms part of the planning application) is to retain the building, repair, refurbish and modestly extend it to create a golf-related training academy to operate alongside the remainder of the course.
- 3.6 Kirkby Valley's commercial trading location is potentially excellent, with good road access and a large local catchment population. However, the venue is seriously let down by the relatively basic quality of the 18-hole course and the terrible clubhouse on site.
- 3.7 In today's golf market, the quality of the facilities falls way below the expected standards for a vibrant, modern golf venue. The clubhouse is simply not sustainable or appropriate, and significant change is needed.

4. How the UK golf sector has evolved over the last 140 years

- 4.1 Today, the UK has three main types of golf venue. They are 'not for profit' private members' clubs, proprietary venues and municipal courses.
- 4.2 Golf really started to take off from the late 1800s. A large proportion of today's golf venue stock was built during the 50 years from 1885 to 1935. Kirkby Valley Golf Course falls within this era, having opened in 1928.
- 4.3 When Kirkby Valley was founded there were really only two main types of golf venue. They were either private members' clubs or municipal courses. Proprietary golf venues only became a significant part of the golf sector much later on in the 1990s.
- 4.4 In the 1920s, around 85% or more of golf courses were private members' clubs. These clubs were run by their members for the benefit of those members, and this is still the case today.
- 4.5 They tended to be rather elitist, which was okay for those members fortunate enough to join a private members' club. However, it created an unfair problem for people who either did not have the financial means or the social connections to become a member.
- 4.6 Many local councils therefore built municipal courses to combat the problem, and Liverpool City Council building Kirkby Valley Golf Course is a good example. The municipal courses were there to provide affordable golf on an 'open to all' basis.
- 4.7 In the late 1960s and the 1970s more municipal golf courses were built to cater for growing demand.
- 4.8 Municipal courses were generally of a lower standard than the private members' clubs in terms of the quality and conditioning of the course, and the clubhouse facilities on offer.

- 4.9 During the mid to late 1980s the demand for golf rocketed. There were several reasons for this. Increased television coverage of professional golf tournaments and the success of high profile British and European professional golfers on the world stage were important demand drivers.
- 4.10 For decades, American professional golfers dominated the top echelons of the game. This was typified by the Americans nearly always beating the Great Britain & Ireland team in the biennial Ryder Cup match, to such an extent, that it had become too boring for many British fans to watch.
- 4.11 In 1979 the Ryder Cup changed its format. It became a match between the USA and Europe. In the early 1980s, the charismatic Spaniard, Seve Ballesteros, was in his prime. He, along with his European compatriots, such as Bernhard Langer, Sandy Lyle, Nick Faldo and Ian Woosnam, beat the American team in the famous Ryder Cup match held at The Belfry, in Birmingham, in 1985.
- 4.12 The European team won again in 1987, and they retained the Cup after an exciting, tied match in 1989. In addition, European golfers started winning some of golf's 'majors' on a regular basis. This had not happened for decades, so was a big thing at the time.
- 4.13 All this positivity massively grew interest in the game, causing the demand for golf to rise very rapidly in the UK from the mid-1980s.
- 4.14 By the late 1980s, the demand for golf greatly outstripped the supply of golf courses. In 1989 the game's governing body, the Royal & Ancient Golf Club of St Andrews (now called 'The R&A'), produced a major industry report called *'The Demand for Golf'*.
- 4.15 The report's main conclusion was that the UK needed 700 new golf courses by the year 2000 to satisfy this pent-up golfer demand.
- 4.16 This, along with other factors, sparked a golf course construction boom during the 1990s, to such an extent that over 700 new golf venues were built.

- 4.17 Nearly all of these new venues were proprietary 'for profit' operations. Unlike the private members' clubs and municipal courses, this new category of operator looked to make a reasonable financial return for investing in and running golf venues.
- 4.18 Recession came in the early 1990s on the back of 'Black Wednesday' – the crisis in September 1992 – when the UK Government was forced to withdraw sterling from the European Exchange Rate Mechanism. The result was very high interest rates (the base rate was between 10% and 15%).
- 4.19 The high interest rates were crippling for new golf course developments, which had borrowed heavily at the time. It was reported that over 90% of all new golf developments were in serious financial difficulty.
- 4.20 The large increase in golf venue supply, due to the 1990s' construction boom, did however, improve the supply/demand imbalance of the 1980s, between the number of golf venues available in the UK and the number of golfers looking to use them.
- 4.21 Building over 700 new golf venues during this period increased the UK's stock of golf venues by over 30%. This meant that there was generally no longer unsatisfied pent-up golfer demand.
- 4.22 The turning of the new Millennium then caused a new major structural problem – that of slow, long term decline – for much of the UK golf sector. Unfortunately, this lasted until the onset of Covid in March 2020.
- 4.23 The digital revolution really started to take off around the year 2000 (by way of a reference point, the iPhone was first unveiled in January 2007). Digital technology has sped up the pace of most people's lives, to the extent that many complain that they have less free time compared to 'the old days'.
- 4.24 Coupled with less free time was a widening of consumer choice regarding activities, pastimes, distractions etc. In particular, there was a big increase in the

demand for new health & fitness clubs, and cycling became very popular. These shifts were very problematic for the UK golf sector from around 2000 to 2019, and they are still major threats to market share today.

- 4.25 A problem for the traditional golf course format – that of an 18-hole course with a clubhouse – was that it typically took around 4 hours or more to play an 18-hole round. During the period 2000 to 2019, golf participation rates consistently fell because increasing numbers of people decided that they no longer had the time to play golf or that they did not play enough to justify the cost.
- 4.26 Generally, golf was seen as an aspirational thing for many people to get into in the 1980s – with business meetings over a ‘round of golf’, and corporate golf days etc. However, after the spectacular success of British cyclists at the 2012 London Olympics and at the Tour de France, increasing numbers of people now saw cycling as more ‘on trend’ as their main leisure pursuit compared to golf.
- 4.27 In short, golf was now suffering from a dated image problem.
- 4.28 Alarmed by the long term trend of falling golfer participation, as a necessity (as well as being the right thing to do), many of those working within the golf industry, along with the game’s governing bodies, worked doubly hard to make golf more open, affordable, accessible, fun and friendly.
- 4.29 In particular, the game’s main users of the traditional 18-hole format over the years have been white males aged over 50. Female participation has historically been far too low, typically at less than 15%. Offering alternative golf formats that are attractive to women and a younger audience was a major growth opportunity for the game.
- 4.30 A format of the game where digital technology has had a major positive impact in recent years, and thus golfer participation, is floodlit driving ranges. For many years prior to this digital technology, driving ranges were seen as an alternative way to practise hitting balls. Most of them, however, were pretty drab.

- 4.31 However, with ball tracking capabilities, digital screens within driving range bays, users can now play all sorts of fun, interactive golf games, as well as practising as normal.
- 4.32 This has created entirely new and diverse golf participation. Modern driving ranges, with 'state of the art' digital technology, appeal to a much younger audience, and indeed a wider audience in general. You can enjoy using a driving range even if you have never tried golf before. It is an excellent introductory way to get into the game.
- 4.33 Turning to Covid, whilst this has had a detrimental impact on many people's lives, businesses and the UK economy, it has been kind to the UK golf industry.
- 4.34 Playing golf was one of the few outdoor activities allowed during national lockdowns, when many businesses and other sporting activities and pastimes had to shut. This caused a huge artificial spike in golfer demand. Whilst this has fallen from the peak, many people who took up the game, or went back to it because of Covid, are still continuing to play today.
- 4.35 Thus, a direct result of Covid is that the golf market today is in a stronger position than it was in 2019, pre-Covid.
- 4.36 There are, however, strong headwinds ahead for the UK golf sector. We are in the midst of a 'cost of living crisis', inflation is running at its highest level for 40 years at over 10%, and after years of very low interest rates, the Bank of England has increased the base rate for a 13th consecutive time. The base rate now stands at 5% in a bid to bring inflation down.
- 4.37 Some 18-hole golf courses will naturally continue to trade well on the back of the Covid golf demand spike despite these headwinds. They are likely to be the ones where they have affluent older members ('the grey pound') who are not likely to have high mortgage debt or increasing rent to pay. They may well be retired with relatively more free time on their hands compared to those in employment and with young families.

- 4.38 The 18-hole venues that are likely to struggle are those where the disposable income of its main customer base is squeezed due to the 'cost of living crisis' and where the golf product on offer is modest or downright poor, so the venue has less market appeal. I put Kirkby Valley Golf Course in this bracket.

5. A common problem for 18-hole municipal golf courses

- 5.1 The golf industry's slow long term decline in participation during the period 2000 to 2019 (pre-pandemic) was particularly problematic for municipal courses.
- 5.2 Historically, their role was to counterbalance the private members' clubs – by providing affordable 'open to all' golf. However, with the rise of the proprietary golf operator in the 1990s, municipal courses have tended to become the 'poor relation' in the UK golf sector for several reasons.
- 5.3 By the time of the mid-1980s the UK golf market was made up broadly as follows: around 80% were private members' clubs, around 15% were municipal courses, and around 5% were proprietary venues.
- 5.4 By the year 2000, with over 700 new golf venues built in the previous decade, the makeup was now as follows: around 55% were private members' clubs, around 35% were proprietary venues, and around 10% were municipal courses.
- 5.5 Being profit driven, most of the proprietary sector were looking to increase their golf customer base. Many would aim to do this through aggressive marketing and lowering golf prices to attract custom. And they targeted the customer base of the private members' clubs and the municipal courses, which was problematic for the latter.
- 5.6 The decline in golf participation caused a situation where, generally, there were too many 18-hole courses chasing the custom of too few golfers. In short, a situation of golf course oversupply.
- 5.7 For golf courses, their annual golf revenue is the sum of yearly membership subscriptions and visitor green fees (net of VAT). For stand-alone 18-hole golf courses with a typical golf clubhouse, annual golf revenue is the absolute financial powerhouse of the business. If it is strong and healthy, the venue ought to trade well, if it is too low then the venue could be in serious financial trouble.

- 5.8 At its core, annual golf revenue for an 18-hole course is simply a function of two variables: 'price' and 'volume', where 'price' is the average price paid per round, and 'volume' is the total number of golf rounds played per year.
- 5.9 Thus, an 18-hole course achieving 35,000 rounds per year at an average price per round of £12 per round has an annual golf revenue of £420,000. This could reasonably have represented the actual performance of an 18-hole municipal course in early 2000.
- 5.10 The major industrywide structural problem caused by falling golfer participation and golf course oversupply for a prolonged period of time is that it lowered, on average, the volume of golf played at a course year on year from around 2000 to 2019.
- 5.11 And, unfortunately, with a lower volume of play per course, rather than being able to increase the average price per round to compensate, many operators were forced (by natural market forces) to have to reduce their prices charged for golf in real terms (ie excluding inflation) in an effort to try and attract/retain golf usage at their own venue.
- 5.12 Many golf venues lowered prices by offering enticing deals to golfers, such as '*2 for 1*' (two visitor green fees for the price of one) or '*15 months of membership for the price of 12*'.
- 5.13 On the face of it, this sounds great for golfers. However, the major problem 'behind the scenes' was that the underlying yearly profit potential of the UK golf sector was fast eroding.
- 5.14 For their long term economic sustainability, golf venues must consistently make a high enough 'operating profit' each year, even if the venue is a 'not for profit' private members' club or a municipal course.
- 5.15 This is because it then allows for some or all of the operational surpluses to be reinvested back into the golf venue to keep it 'fit for purpose' for golf market

needs to then be able to make the future operating profits in future years. This is essential for long term economic sustainability.

- 5.16 Unfortunately, without continual capital reinvestment (in the course, the clubhouse, plant and machinery etc), over time golf venues will almost certainly look starved of this investment. They then have the appearance of being tired and worn out.
- 5.17 This then makes the golf venue appear much less attractive to an increasingly more demanding and discerning modern golf customer base. This in turn, then means that the price the golf operator can charge for golf has to be lower, and if the market is in slow long term decline anyway, there will be less yearly rounds played in any event.
- 5.18 This can turn into a vicious downward financial spiral over time. And it did for many municipal courses 'big time'.
- 5.19 The problem was further compounded for them because for the last 20 years or so, running golf courses has not been seen as a 'core service' for local authorities (and rightly so). Their limited financial resources were prioritised for more pressing social responsibilities.
- 5.20 Thus, not only was the UK golf market in slow long term decline, but local authorities running municipal golf courses were giving their venues limited attention and care in an ultra-competitive golf market. Nearly always, local authorities had no spare money available to invest into their municipal courses to keep them 'fit for purpose'.
- 5.21 Going back to the earlier 'price' times 'volume' example: a municipal course in early 2000 with an annual golf revenue of £420,000 (35,000 rounds at £12 per round); a decade or so later, and its yearly roundage may easily have fallen to say around 22,000 rounds at a real price (inflation adjusted) of say £10 per round. This then gives a revised annual golf revenue of just £220,000 – which is a £200,000 per year drop compared to the earlier position.

- 5.22 Broadly, the cost of physically maintaining an 18-hole golf course is fixed. There are three main components: greenkeepers' wages, machinery costs, and materials and supplies.
- 5.23 Thus with these fixed costs, if the annual golf revenue of the course falls from £420,000 to £220,000 then the lost yearly contribution to profit is £200,000, because the 'fixed cost' element remains broadly the same, albeit with incremental rises over time.
- 5.24 Compound this over 10 years and this represents £2 million lost operating profit for potential capital reinvestment to keep the municipal golf venue 'fit for purpose' for modern market needs.
- 5.25 In reality, the situation was even worse. This was because less golfer volume at a municipal venue would mean less people using the clubhouse, which would also adversely affect food & beverage and retail trade. In addition, underlying running expenses tended to rise above inflation.
- 5.26 These strong market drivers explain why many municipal golf courses got into severe financial difficulties over the last 20 years or so. Some, unfortunately, have been forced to close because they were no longer financially viable and were a severe yearly cash drain to the councils running them.
- 5.27 And for those that have survived, unfortunately, far too many are now showing the tell-tale signs of being starved of desperately needed capital investment over a long period of time. Kirkby Valley Golf Course is a good example.

6. Kirkby Valley Golf Course's trading performance

- 6.1 In the spring of 2014 Liverpool City Council outsourced the operation of its two municipal golf courses, Kirkby Valley Golf Course and Allerton Manor Golf Course, to Green Circle Leisure.
- 6.2 Green Circle Leisure operates Kirkby Valley Golf Course through its subsidiary company, L32 Trading Ltd; and Allerton Manor Golf Course through another subsidiary company, Allerton Golf Trading Ltd.
- 6.3 I have not been able to obtain the yearly trading performance of Kirkby Valley Golf Course when it was operated in-house by Liverpool City Council. However, given my knowledge of the UK golf sector, I can say, with a high degree of confidence, that Kirkby Valley Golf Course would have been significantly loss making for the Council.
- 6.4 I attach in Appendix 2 a 'Case Study' flyer produced by V4 Services. Liverpool City Council appointed them in October 2013 to assist the Council to '*secure the future of affordable, accessible golf provision and £1.7 million financial savings*'.
- 6.5 V4 Services helped with the procurement process to find a new operator for the two municipal golf courses following initial market testing. Green Circle Leisure were the successful tenderer.
- 6.6 When summarising the benefits of the work done, V4 Services stated that '*the new arrangements will save the Council around £1.7 million over the next five years*' and they also quote a Council Spokesperson as saying '*we can no longer afford to subsidise the courses*'.
- 6.7 I believe it is reasonably probable that Liverpool City Council's subsidy to keep Kirkby Valley Golf Course open was easily exceeding £100,000 per year. I suspect that the loss may well have been over £200,000 per year.

- 6.8 Turning to L32 Trading Ltd's current performance for Kirkby Valley Golf Course, I have a copy of its financial statements for the year ended 31 July 2021. These also include the financial trading performance for the prior year ending 31 July 2020.
- 6.9 These accounts are at a useful point in time. This is because they show the company's financial performance just before the first national lockdown for Covid in March 2020, and they also show the exceptional spike in golf demand caused by the pandemic in the following year.
- 6.10 For the year ended 31 July 2020, L32 Trading Ltd's turnover was just £304,133. On the back of the Covid lockdown spike in national golf demand, the company's turnover increased to £499,709 for the year ended 31 July 2021.
- 6.11 Whilst the increase in turnover was commendable, the figures are still too low for a viable long term golf operation.
- 6.12 If Kirkby Valley Golf Course were to retain its current configuration, as a basic 18-hole ex-municipal golf course with a terrible clubhouse, then L32 Trading Ltd's low turnover figures are nowhere near high enough to support the much needed capital investment into the venue to make it 'fit for purpose' for modern golfing needs.
- 6.13 The existing clubhouse alone needs major capital investment, which would easily run into a 'seven figure sum'. This cannot be justified if the main part of the business is still a basic 18-hole ex-municipal golf course.
- 6.14 To make Kirkby Valley work in the long term, in an economically sustainable way, the venue needs a carefully thought out and somewhat radical solution. It needs a major strategic repositioning in the local golf marketplace. This will inevitably need a high level of capital investment.

7. Golf in this decade and beyond

- 7.1 The R&A is the leading governing body within the world of golf. It engages in and supports activities to ensure it is a thriving sport for all on a global scale.
- 7.2 The R&A's website provides a lot of useful information about its purpose, its aspirations for the game and the important work it does.
- 7.3 It is fundamentally important to consider carefully the The R&A's aspirations. This is because they set the roadmap, and thus the direction of travel for those working in the UK golf industry, whose job it is to align with those aspirations and turn them into reality – by investing in the sector, for the wider long term benefit of existing golfers, potential golfers, local communities and stakeholders.
- 7.4 Firstly, the R&A brand logo reads as follow: **"R&A GOLF IS OPEN TO ALL"**.
- 7.5 Below are some quotes from The R&A's website:

"A sport for everyone."

"Golf is a sport that can be enjoyed by people of all ages, genders, backgrounds and abilities. It's a great way to spend time with family and friends, as well as an opportunity to challenge your capabilities."

"Golf is a sport for life and can be played from the age of four to 104."

"In later life, golf is a great sport to enjoy with friends and to meet new ones – on the fairways and at the 19th hole!"

"Golf and Health. It is also great for your health. Golf, as a physical activity, can help prevent and treat 40 major chronic diseases, including diabetes, heart attacks, stroke, breast and colon cancer."

“Further research has shown that golf can improve quality of life through muscle strengthening, improved balance, aerobic exercise – equivalent to gym-based work or yoga – and social interaction.”

“Young People. Boys and girls are the future of golf, the future of golf clubs and our future champions. We encourage young people to start golf at the grassroots level and see where they go!”

“Tiger Woods, one of the greatest ever golfers, started playing golf when he was only two years old... It’s never too early to start swinging a club.”

“Go and enjoy some group lessons with your friends at your local club – have fun, laugh and smile. Go and visit your local driving range with your mum or dad. Check out the work of the Golf Foundation who are dedicated to encouraging young people into golf.”

“Students. Being a student is an exciting time to play the sport.”

“Women’s golf is a truly global sport... with the potential to grow further.”

“While fewer than one in four golfers globally are women and the golf industry is male-dominant, the sport is working hard collectively to drive female growth.”

“Ethnic Groups – golf continues to encourage more ethnic groups into the sport.”

“We want clubs to respond to the needs of all players and encouraging minority ethnic communities is an area with huge potential for growth in the sport.”

“Disability Golf – we encourage all golfers to play, regardless of any disability they have.”

- 7.6 As I explained earlier, the traditional format of the game – an 18-hole course with clubhouse – has been around for well over 100 years. The game is, however, evolving and there is a real and pressing need to be forward thinking and innovative to grow golf in line with the The R&A's aspirations.
- 7.7 A particular problem for the UK, caused in part by the long period of decline between 2000 and 2019, is that too many golf courses, particularly at the municipal end of the market, are looking way too tired and dated. They need major investment – which is rarely easy to find on economically viable terms.
- 7.8 But it is this kind of rare investment that will help reinvigorate some of the currently tired golf venues, so they regenerate into something vibrant and dynamic – which then strongly appeals to The R&A's target audiences.

8. Green Circle Leisure's vision for Kirkby Valley Golf Course

- 8.1 Under the heading 'Where to Play', The R&A's website currently says:

"Traditional golf is played on 9-hole and 18-hole golf courses which allows golfers of all abilities to enjoy playing with family and friends.

But, there are many forms of golf for you to experience, particularly if you're new to the sport. Driving ranges, par-3 courses, pitch & putt, adventure golf, and indoor golf simulators are all great ways to enjoy playing golf as well."

- 8.2 Encapsulated within the above two paragraphs is an excellent summary of the main formats for people to play golf these days.
- 8.3 Green Circle Leisure's vision for Kirkby Valley Golf Course is to combine most of these components in a single site location – with the end product developed being a high quality, modern, fun and friendly family leisure attraction.
- 8.4 By transforming the existing basic 18-hole municipal golf course with its tired clubhouse into a vibrant new golf centre, it ought to be the case that 'the created whole is greater than the sum of its individual parts' in terms of local market appeal.
- 8.5 A key ingredient for any golf project of the scale proposed here by Green Circle Leisure, is the commercial soundness of the chosen site's trading location. Although the existing golf facilities on site are substandard, I think the commercial quality of Kirkby Valley's location is excellent for the proposed scheme.
- 8.6 Normally, the main catchment area for a traditional 18-hole golf course is a 20-minute drivetime by car. For larger scale developments, a 30-minute drivetime is also important.

- 8.7 Due to Kirkby Valley's location near the motorway junction, and the highly populated areas nearby, the demographics are very good.
- 8.8 Kirkby Valley's resident population within the 20-minute drivetime is just over 1.1 million and this rises to just over 2 million within the 30-minute drivetime.¹
- 8.9 In my experience, a golf venue's catchment population is good if its resident population is around 500,000 within a 20-minute drivetime and around 1 million for its 30-minute drivetime. Kirkby Valley's numbers are double these, which is excellent.
- 8.10 To make the most of Kirkby Valley's strong demographic situation, I believe that any proposed new golf development ought to be outstanding – and not just be a 'run of the mill' 18-hole course with a clubhouse. To create anything significantly inferior would be 'a wasted opportunity'.
- 8.11 Green Circle Leisure's development proposals include the following main components:
- a major refurbishment of the existing 18-hole municipal course
 - a new 9-hole par 3 course (average length per hole 175 yards)
 - a 32 bay two tier floodlit driving range (16 bays per level)
 - an 18-hole adventure golf course
 - a practice putting green
 - a new build golf clubhouse

¹ Source: Census data, Maptitude 2022, and as at the year 2020

- a golf academy building (created from the existing clubhouse)
- a greenkeeping compound
- car parking.

8.12 In physical terms, all elements will be built to a 'high spec' standard. However, in terms of golf market positioning, the new golf centre will offer affordable golf – which is truly open to all.

8.13 It is clear to me that Green Circle Leisure has appointed a very experienced golf architect for the outdoor golf elements. Their chosen golf architect is International Golf Design, which is part of International Design Group Ltd.

8.14 International Design Group has over 75 years of collective team experience and have conceptualized over 500 projects with over 45,000 acres of masterplans. International Golf Design is also a PGA 'Official Supplier'.²

8.15 The buildings have been designed by the Liverpool based architectural practice, Brock Carmichael. The proposed new clubhouse and the driving range building incorporate all the key features I would expect of a well thought out 'state of the art' golf centre.

8.16 In particular, the 32 bay driving range incorporates many features designed to encourage participation in the game. The range bays can accommodate the latest digital technology (such as 'Toptracer'), and they are wide enough to allow multiple players per bay together with space for casual eating and drinking whilst playing a game.

8.17 The range building also incorporates an indoor putting studio, two academy rooms, a simulator room, and a club fitting room.

² The Professional Golfers' Association – founded in 1901 and currently with over 8,000 members in 80 countries around the world.

9. The project's financial viability

Green Circle Leisure's track record

- 9.1 Before I comment on the project's financial viability, I think it is important to consider Green Circle Leisure's track record relating to its golf projects in the north west of England.
- 9.2 It is evident that they have a strong and proven track record built up over a 30 year time period.
- 9.3 The family which owns Green Circle Leisure opened Formby Hall Golf Resort & Spa in 1996. The venue is situated near Formby in Lancashire.
- 9.4 They developed it from scratch and then operated it for many years. Its golf element included an 18-hole parkland championship course, a 9-hole par 3 course, a 26 bay floodlit driving range and a PGA golf academy. Other elements included a 62 bedroom 4-star hotel with spa. The venue employed around 250 local people.
- 9.5 The family sold Formby Hall in 2016. Since 2014 they have turned their attention to working in partnership with local authorities to transform a small number of struggling municipal golf courses.
- 9.6 Working in partnership with Liverpool City Council, Green Circle Leisure has invested over £8 million in Allerton Manor Golf Course. This has included comprehensively upgrading the 18-hole course and making major new investment in the hospitality offer on site, with new bars, a restaurant and function spaces.
- 9.7 The masterplan approved by Liverpool City Council also includes a driving range, a purpose built golf clubhouse / pavilion with shop, locker rooms, indoor teaching space and golf simulators, an 18 hole adventure golf course, and the restoration of the Listed Manor House to create a hotel and spa.

- 9.8 Green Circle Leisure have also invested heavily in improving Sherdley Park Golf Course. This is an 18-hole municipal course which had been operated by St Helens Borough Council for many years. Green Circle Leisure now operate it under a long term lease from the Council.
- 9.9 Turning to the development proposals for Kirkby Valley Golf Course, Green Circle Leisure has given me an overview projected build timeline for their proposed development together with their projected construction costs and their projected trading performance for the first three years of operation from opening.
- 9.10 I summarise each of these as follows:

The projected build timeline

- 9.11 The starting base point assumes planning approval in October 2023 and final completion in May/June 2028. The timings are as follows:
- Oct 23. Secure planning approval
 - To Dec 23. Discharge pre-commencement conditions
 - Jan/Feb 24. Start on site (access from Valley Road)
 - Apr/May 26. Complete Phase 1 works (9-hole course, adventure golf course, driving range, car park, and Valley Road highways/s278 works)
 - May/Jun 27. Complete Phase 2 works (new clubhouse and existing 18-hole course improvement works)
 - May/Jun 28. Complete Phase 3 works (golf academy building works)

The projected construction costs for the main elements of the masterplan proposal

- 9.12 These are as follows (at today's prices):

• Clubhouse	£3.0 million
• Driving range	£2.5 million
• Adventure golf	£500,000
• Parking and highways	£1.0 million

• 9-hole par 3 course	£1.8 million
• Existing 18-hole course improvements	£2.7 million
• Golf academy (renovating the old clubhouse)	<u>£800,000</u>
Construction subtotal	£12.3 million
• + 10% professional fees provision	<u>£1.23 million</u>
Total cost estimate	£13.53 million

The projected yearly trading performance from opening

9.13 I attach these for the first three years from opening in Appendix 3. The figures also assume today's prices.

9.14 In summary, the projections show the following:

	Year 1	Year 2	Year 3
Projected turnover	£4.38 million	£5.04 million	£5.62 million
Cost of sales	£0.87 million	£1.0 million	£1.13 million
Wages & salaries	£1.26 million	£1.34 million	£1.42 million
Gross profit	£2.25 million	£2.70 million	£3.07 million
Administration & establishment	£1.00 million	£1.05 million	£1.09 million
EBITDA	£1.25 million	£1.65 million	£1.98 million
<u>Key performance ratios:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Wages & salaries/turnover %	28.8%	26.6%	25.3%
Gross margin on turnover	51.5%	53.7%	54.6%
EBITDA/turnover %	28.6%	32.8%	35.3%

9.15 'EBITDA' stands for 'earnings before interest, tax, depreciation and amortisation'. It is a tighter definition of the term 'operating profit' and is an important key performance indicator for evaluating the underlying operational profitability of golf venues.

- 9.16 There are other costs 'below the EBITDA line' which would be borne by L32 Trading Ltd before it arrives at the end figure for 'profit/loss after tax'. The latter is the typical 'bottom line' in a profit and loss statement for statutory accounts.
- 9.17 'Below the EBITDA line' costs include interest payable on bank or other loans, taxation, and provisions for depreciating the fixed assets of the business. The 'bottom line' profit after tax will usually be a lot lower than the EBITDA figure.
- 9.18 Because of these 'below the EBITDA line costs', a golf developer/operator, acting prudently and reasonably, would typically require a minimum return on investment of around 15% regarding build costs versus the resulting long term fair maintainable yearly EBITDA.
- 9.19 If I take the Year 3 projections as representing the developed golf venue's fair maintainable trading level, then the forecast EBITDA is £1.98 million.
- 9.20 The projected build cost is £13.53 million. Therefore, the ratio of the fair maintainable EBITDA to the build cost is 14.6%. This is in line with what I would expect.
- 9.21 I do not believe that the underlying profitability of the project is excessive in relation to build cost and the '*very special circumstances*' Green Belt planning policy test. Likewise, I do not believe that the underlying profit potential is too small to warrant an unreasonable risk of financial failure.
- 9.22 Overall, I believe the development proposals strike a fair balance between future operational profitability and build cost.
- 9.23 Looking in a little more detail at the projected revenue and costs lines in Appendix 3, these look reasonable to me, given my experience of studying the trading accounts of many different UK golf venues over the last 30 years.

- 9.24 The following key performance indicators for the Year 3 forecasts provide useful benchmarks:

Turnover: £5.62 million is a sizeable turnover for a UK golf venue. However, this is a comprehensive 'state of the art' modern golf centre. Turnover ought to be around this level.

Wages & salaries/turnover ratio: the normal commercial benchmark for an 18-hole course without a comprehensive driving range and adventure golf business is 30%. Here the turnover percentage is lower at 25.3% but this is reasonable given the specific nature of the business. The more automated nature of the driving range and adventure golf elements means that staffing costs as a percentage of turnover drop considerably (but other non-staff costs rise).

EBITDA/turnover ratio: this is forecast at 35.3% and is in line with leisure industry norms for this type of golf mix and the sizeable scale of the business operation.

10. The development proposals in the planning policy context of ‘very special circumstances’ and my conclusions

- 10.1 The current predicament of Kirkby Valley Golf Course – that of a poor quality 18-hole golf course with terrible clubhouse facilities – is a direct consequence of how the UK golf market has evolved since the course first opened nearly 100 years ago.
- 10.2 The fact that it was a municipal course, and that all local authority financial resources have become increasingly stretched over the last 30 years, coupled with structural changes in the UK golf market, largely explain the lack of much needed investment in Kirkby Valley Golf Course for a great many years.
- 10.3 From the heady days of the late 1980s, where golf course demand greatly outstripped golf course supply, came the golf course construction boom of the 1990s. The UK’s stock of golf venues increases by over 30% during this period, with nearly all the new venues being ‘for profit’ proprietary venues.
- 10.4 With slow long term decline in golfer participation in the industry between 2000 to 2019 (pre-Covid), it became an extremely competitive market, with falling underlying profitability for the sector.
- 10.5 Municipal golf courses often became heavily loss making during this period, and many show signs of a prolonged lack of capital investment to keep them ‘fit for purpose’ for modern golf market needs.
- 10.6 The game enjoyed a welcome artificial spike in golfer demand caused by Covid. However, the sector is facing strong headwinds with the current ‘cost of living crisis’, high inflation and high interest rates.
- 10.7 Some golf courses will continue to do well despite these headwinds. However, the 18-hole venues that are likely to struggle are the ones where their customer base’s disposable incomes are being squeezed and where the current golf

product on offer is modest or downright poor. I put Kirkby Valley Golf Course in this bracket.

- 10.8 Kirkby Valley Golf Course's past and current financial performance is too weak to be economically sustainable for the long term. Something has to change.
- 10.9 Given the current nature of the UK golf market, I do not believe that an appropriate economic solution is to retain the 18-hole golf course largely unchanged and aim to refurbish or rebuild the clubhouse. The latter would cost a 'seven figure sum', and in my view cannot be justified if the main driver of business on site remains as a basic quality 18-hole ex-municipal course.
- 10.10 The good news is that Kirkby Valley Golf Course is in a good commercial trading location, given its proximity to the nearby motorway junction and the large population centres nearby. The demographics for a modern 'fit for purpose' golf centre are excellent with around 1 million residents within the key 20-minute drivetime and around 2 million residents within the 30-minute drivetime.
- 10.11 The R&A, the leading governing body within the world of golf, has set out its aspirations for the game today and for the future. Key objectives are to make golf truly open to all, a game for life, a way of improving health – both physical and mental – and a way for people to socialise, have fun and make new friends.
- 10.12 The game's traditional format for near on a century was a stand-alone 18-hole course with a clubhouse. Golf has evolved over the last 30 years with more new formats, and The R&A actively encourages these.
- 10.13 Due to the slow long term decline in the golf industry from around 2000 to 2019, a significant number of golf venues now look tired and dated due to an inability to be able to afford to reinvest back into them for long term economic sustainability.
- 10.14 The good news is that with Green Circle Leisure's proven track record for developing and operating golf venues in north west England, they have the resources and skills to transform Kirkby Valley into a vibrant, modern golf centre

which is truly open to all. Green Circle Leisure's ambitions for Kirkby Valley Golf Course align very well indeed with The R&A's aspirations to grow the game.

- 10.15 It is very rare for a municipal golf course to be able to be reinvigorated on the scale proposed by Green Circle Leisure. Most golf developers and operators simply do not have the ability to fund such an ambitious golf project. This is a 'once in a generation' opportunity to transform Kirkby Valley Golf Course into something special for existing golfers, future golfers, and the local community generally.
- 10.16 Taking all these factors into account, I strongly believe that from a golfing perspective the development proposals warrant the status of qualifying as '*very special circumstances*' in the Green Belt for granting planning approval. I also believe that 'doing nothing' is simply not an option, or indeed a 'watered down' version of the project, because neither is a solution that will resurrect or reverse the fortunes of this club / course or deliver anywhere near the golf-related, social or economic potential it has to offer.

A handwritten signature in black ink, appearing to read 'M Smith', with a stylized, cursive script.

Mark Smith BA MRICS MBA

Appendix 1

Background information on my professional experience

Appendix 1

ABOUT SMITH LEISURE

Our golf sector focus

The common theme is work related to UK golf venues. We provide specialist support and advice to clients on golf property and business matters.

We cover the whole golf property spectrum – from small stand-alone golf centres to trophy venues and luxury golf hotels plus newer formats, such as adventure golf.

We have a deep understanding of this market built up over 30 years. We are well placed to provide reliable and insightful advice to our clients.

We are in this sector for the long term. The principles of integrity, trust and professionalism underpin our business and the work we do for our clients.

Our differentiating point

We are the only chartered surveying firm which

- a) specialises solely in the UK golf market and
- b) has direct operational experience in running golf venues.

This blend of direct operational experience, coupled with consultancy work on hundreds of golf property projects, gives us a balanced perspective.

Our insights gained in this sector over many years helps our clients – either by adding significant financial value or giving clarity on their decision making processes.

Mark Smith set up Smith Leisure in 2004. He is member of the Royal Institution of Chartered Surveyors and has an MBA from Henley Business School. He is a member of Golf Business International - a group of leading advisers providing support to the global golf community.



smithleisure

UK GOLF PROPERTY EXPERTISE ■ CHARTERED SURVEYORS

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Our services relating to golf venues

These include (in alphabetical order):

- Business rates appeals
- Buying, selling and leasing
- Expert witness evidence
- Feasibility and viability studies
- Operational audits and management
- Property valuations
- Rent reviews and lease renewals
- Strategic plans/exit routes
- Town & country planning



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Regulated by RICS

Smith Leisure is a trading name of Springate Ltd. Registered Number 5909649. Registered Office:
St Mary's House, Netherhampton, Salisbury, Wiltshire, SP2 8PU. VAT Number 847 1116 36

ABOUT SMITH LEISURE (cont.)

smithleisure

UK GOLF PROPERTY EXPERTISE ■ CHARTERED SURVEYORS

Our clients

These include proprietary golf operators, private members' clubs, freehold owners, local authorities, investors, banks, non-golf surveying firms, lawyers and accountants.

Most of our new work comes from personal recommendation. Below are some of the clients we have worked for over the years.

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Addington Court Golf Centre
Addington Palace Golf Club
Altonwood Golf Group
American Golf (UK)
Ansty Golf Centre
Badgemore Park
Barnet Council
Barton on Sea Golf Club
Baydrive
Birchwood Park Golf & Country Club
Birmingham City Council
Blackmoor Golf Club
Bolton Council
Boughton Golf Club
Bradley Park Golf Course
Brampton Park Golf Club
Broadstone Golf Club
Brokenhurst Manor Golf Club
Builth Wells Golf Club
Burgess Hill Golf Centre
Burhill Golf & Leisure
Camberley Heath Golf Club
Came Down Golf Club
Canford Magna Golf Club
Cape Cornwall Golf & Leisure
Chelmsford City Council
Cheshire East Council
Chobham Golf Club
Chorley Council
City of Edinburgh Council
Cookridge Hall Golf Club
Coombe Wood Golf Club
Cottesmore Hotel Golf & Country Club
Cowdray Estate
Crown Golf

Dacorum Borough Council
Draycote Hotel
Dudsbury Golf Club Hotel & Spa
Dunham Forest Golf & Country Club
Dwellcourt Group
Ealing Council
East Berks Golf Club
Enmore Park Golf Club
Ferndown Golf Club
Five Lakes Hotel Golf & Country Club
Formby Ladies Golf Club
Frodsham Golf Club
GL Hearn
Goldman Sachs
Golf Kingdom Family Golf & Leisure Park
Goring & Streatley Golf Club
Gravesend Golf Centre
Greenwich Peninsular Golf Driving Range
Hampton Court Palace Golf Club
Harleyford Golf Club
Hartley Wintney Golf Club
Hartsbourne Country Club
Hatchford Brook Golf Centre
High Post Golf Club
Hobbs Cross Golf Centre
Hoburne Golf
Hoebridge Golf Centre
Horton Park Golf Club
HSBC
Kingswood Golf & Country Club
Knight Frank
Littlestone Golf Club
London Borough of Bexley
London Borough of Enfield
London Borough of Hillingdon

Manhattan Loft Corporation
Mill Hill Golf Club
Mill Ride Golf Club
Mytime Active
National Golf Centre, Woodhall Spa
Newbury Racecourse
New Forest District Council
New Zealand Golf Club
Parkstone Golf Club
Pedham Place Golf Centre
Pentland Golf & Leisure
Pine Ridge Golf Club
PING Europe
Pinner Hill Golf Club
Playgolf
Portsmouth City Council
Premier Golf Developments
Preston City Council
Queenwood
Quod Planning Consultancy
Redlibbets Golf Club
Regent Park Golf Course
Remedy Oak
Rotherham Metropolitan Borough Council
Roehampton Club
Royal Bank of Scotland
Royal Guernsey Golf Club
Royal Mid-Surrey Golf Club
Royal St George's Golf Club
Royal Winchester Golf Club
Rustington Golf Centre
Salisbury & South Wilts Golf Club
Sand Martins Golf Club
Scarborough North Cliff Golf Club
Scarborough South Cliff Golf Club

Silvermere Golf & Leisure
South Herts Golf Club
South Winchester Golf Club
Stirling Investments
Stafford Castle Golf Club
St Mellion International Resort
Studley Wood Golf Club
Sunningdale Golf Club
Surrey National Golf Club
The Addington Golf Club
The Belfry
The Dartmouth Hotel Golf & Spa
The Drift Golf Club
The Dye London
The Hertfordshire Golf & Country Club
The Kendleshire Golf Club
The Lambourne Golf Club
The Machrie Hotel & Links
The Point at Polzeath
The Shire London
The Shropshire Golf Centre
The Warwickshire Golf & Country Club
Thonock Park
Thornhill Estates
Thorpe Wood Golf Course
Transport Scotland
Vivien Saunders OBE
Waverley Borough Council
Wescom Group
Wirral Council
Witney Lakes Resort
Wrag Barn Golf & Country Club
Woburn Golf Club
Woodland Environmental
World of Golf



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ABOUT MARK SMITH

smithleisure

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Work focus – property and business matters relating to the UK golf sector

- Valuation matters (both capital and rental valuations plus business rates appeals)
- Expert witness evidence for court and tribunal cases plus public planning inquiries
- Viability studies and business plans
- Strategic reviews and management consultancy
- Rent reviews and lease renewals
- Sales, lettings and acquisitions (including due diligence)

Work experience

- 2004 - Set up Smith Leisure
- 2000 to 2004 - Property Golf & Finance Group Ltd (property director 2002-04)
- 1999 to 2000 – Strutt & Parker's golf department (head of brokerage)
- 1991 to 1999 – William Hillary Leisure & Hotel's golf department (associate)
- 1988 to 1991 – Hillier Parker in London (trainee surveyor)

Professional and academic qualifications

- Member of the Royal Institution of Chartered Surveyors since 1991 and a RICS Registered Valuer
- Executive board member of Golf Business International – a group of advisers providing support to the global golf community – see www.golfbusinessinternational.com
- MBA from Henley Business School
- Degree in economics and statistics from Exeter University

Other

- Website – www.smithleisure.com.
- Spoken at conferences and seminars on golf property issues
- Written articles for golf industry magazines on various topics



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Appendix 2

Case study flyer for Kirkby Valley Golf Course from V4 Services

CASE STUDY

■ CONSISTENCY ■ CREDIBILITY ■ TRUST

Liverpool City Council – Securing the future of affordable, accessible golf provision and £1.7m financial savings

In October 2013, V4 Services was engaged by Liverpool City Council to assist the Council in the procurement process to appoint a specialist golf operating partner for the management, maintenance and development of Liverpool North and Allerton golf courses.

› The challenge

The City Council's objectives were to:

- Ensure the future viability of the Council's two Golf Courses by eliminating the operational subsidy.
- Secure the provision of affordable and accessible pay and play golf which is not based upon membership.
- Secure benefits from the application of specialist skills and golf industry expertise.
- Attract external investment to improve the facilities and golf related services.
- Encourage the innovation that a collaborative relationship with a specialist Golf Operating Partner should deliver.
- Seek development which is complementary to the surrounding neighbourhoods and is beneficial to the Council.
- Transfer all aspects of the repair and maintenance of the buildings within the boundaries of the two course to a new operator.
- Transfer employment of all employees directly engaged in the operation of the courses and acting as the client for any sub-contractors to the new operator.
- Transfer responsibility for the liabilities for all building and course repairs and lifecycle maintenance via a full repairing lease.
- Retain the freehold of the land and premises.

V4 Services were asked to provide specialist knowledge and advice working with the Council's Leisure, Procurement, Planning and Legal Teams.



“ This is a really good deal for the city council. It will not just save money, but it will also secure the future of two long standing sports facilities.

We can no longer afford to subsidise the courses, but we know how much they are appreciated by the people who use them. That is why we have worked extremely hard over the last few months to put together a deal that satisfies everyone.

This arrangement will make sure that the golf courses continue to operate at a price that is affordable to users and receive investment to make them sustainable in the long term.

Although we are having to make tough decisions due to the severe cuts in central Government funding, we are determined to do all we can to make sure that we find alternative and innovative ways of securing the future of well-loved community facilities.

”
Council Spokesperson



› The solution

We acted as advisor to the Council on all procurement and commercial matters, and we advised on the development of the process documentation and legal agreements. Our team helped to refine and recalibrate the Council's requirements following initial market testing. We then assisted in the early negotiations between all parties.

We were also asked to:

- Review the potential for reducing or eliminating the current Council subsidy for the operation of two golf courses.
- Consider the procurement route and design a process that was EU compliant and likely to produce the best commercial outcome.
- Draft the documentation set, including defining the Council's requirements and establishing the risk transfer required.
- Support and advise on the early stages of the procurement and award process, including bid evaluation.

› The benefits

- L32 Trading Ltd became the new operators of Liverpool North (Kirkby Golf Course) in the spring of 2014 and Allerton Golf Trading Ltd manage Allerton Golf Course.
- The new arrangements will save the Council around £1.7m over the next five years.

- The end to end process from business case to completion of contract notice was completed in twelve months.
- The outcome achieved full cost certainty for the Council and protected the ability for local people to access affordable pay and play golf. In addition, the new operators intend to make very substantial investments in both courses and other facilities for golfers. Existing arrangements with local stakeholders have been protected, including concessions for usage by John Moores University students and faculty.

The total cost of V4 Services' support was recovered in less than six weeks. We worked to a tight schedule as set out by the Council.



Liverpool City Council
www.liverpool.gov.uk



V4 Services have worked in partnership with over 95 public sector bodies and trusts providing hands-on delivery support to set up new business structures, improve the efficiency of in-house services, encourage a commercial approach and generate savings and service improvements through our managed service procurement solution.

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Appendix 3

Financial trading projections for the first three years from opening

Appendix 3

KIRBY VALLEY GOLF COURSE BUSINESS PLAN, 3 YEAR SUMMARY

	YEAR 1	YEAR 2	YEAR 3
18 HOLE COURSE - MEMBERSHIPS	£325,694	£485,625	£556,493
18 HOLE COURSE - PAY & PLAY	£350,000	£385,000	£423,500
18 HOLE COURSE - SOCIETIES	£200,000	£230,000	£260,331
PRO-SHOP RETAIL	£100,705	£129,909	£159,139
ADVENTURE GOLF	£150,750	£169,594	£180,617
DRIVING RANGE (32 BAYS)	£1,203,674	£1,299,967	£1,403,965
DRIVING RANGE (F&B)	£806,461	£903,237	£1,011,625
BAR & RESTAURANT	£395,625	£435,188	£478,706
FUNCTIONS & EVENTS	£850,000	£998,750	£1,148,563
	<u>£4,382,909</u>	<u>£5,037,270</u>	<u>£5,622,939</u>
COST OF SALES - FOOD	£287,292	£327,204	£369,445
COST OF SALES - BEVERAGE	£430,938	£490,807	£554,168
COST OF SALES - GOLF STOCK	£60,423	£77,946	£95,483
CONSUMABLES	£87,658	£100,745	£112,459
	<u>£866,311</u>	<u>£996,702</u>	<u>£1,131,555</u>
WAGES & SALARIES: GOLF	£55,000	£55,000	£55,000
WAGES & SALARIES: GREENKEEPERS	£125,000	£125,000	£125,000
WAGES & SALARIES: PRO SHOP	£28,700	£28,700	£28,700
WAGES & SALARIES: SALES	£110,000	£110,000	£110,000
WAGES & SALARIES: MANAGEMENT	£100,000	£100,000	£100,000
WAGES & SALARIES: FINANCE	£80,000	£80,000	£80,000
WAGES & SALARIES: MAINTENANCE	£60,000	£60,000	£60,000
WAGES & SALARIES: ADVENTURE GOLF	£28,700	£28,700	£28,700
WAGES & SALARIES: DRIVING RANGE	£84,000	£84,000	£84,000
WAGES & SALARIES: DRIVING RANGE F&B	£241,938	£270,971	£303,488
WAGES & SALARIES: BAR & RESTAURANT	£158,250	£174,075	£191,483
WAGES & SALARIES: FUNCTION & EVENTS	£187,000	£219,725	£252,684
	<u>£1,258,588</u>	<u>£1,336,171</u>	<u>£1,419,054</u>
GROSS PROFIT	<u>£2,258,009</u>	<u>£2,704,397</u>	<u>£3,072,330</u>
gross margin	51.5%	53.7%	54.6%
ADVERTISING & MARKETING	£200,000	£200,000	£200,000
BANK CHARGES	£13,149	£15,112	£16,869
CLEANING	£64,240	£64,240	£64,240
CONSULTING	£12,000	£12,000	£12,000
ENTERTAINMENT	£18,000	£18,000	£18,000
GENERAL EXPENSES	£36,000	£36,000	£36,000
INSURANCE	£48,000	£48,000	£48,000
TELEPHONY	£21,000	£21,000	£21,000
IT & SOFTWARE	£24,000	£24,000	£24,000
LICENCES	£15,000	£15,000	£15,000
LIGHT & HEAT	£300,000	£330,000	£358,050
MOTOR VEHICLE EXPENSES	£15,000	£15,000	£15,000
PRINTING & STATIONERY	£13,250	£13,250	£13,250
PROFESSIONAL FEES	£9,000	£9,000	£9,000
RATES	£42,000	£42,000	£42,000
RENT	£35,000	£35,000	£35,000
REPAIRS & MAINTENANCE	£98,615	£111,827	£118,082
STAFF TRAINING	£6,000	£6,000	£6,000
WASTE COLLECTION	£35,500	£35,500	£35,500
	<u>£1,005,754</u>	<u>£1,050,929</u>	<u>£1,086,991</u>
EBITDA	<u>£1,252,255</u>	<u>£1,653,467</u>	<u>£1,985,340</u>
EBITDA %	28.6%	32.8%	35.3%