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2020 Membership Subscriptions and Green Fees

Dear Wanderers Members

This communication deals with the 2020 annual subscriptions, green fees, playing cards and cart hire costs for the coming year and contains a fair amount of detail.

The **highlights** of the 2020 offering is as follows:

- **Moderate** increase in member subs, off an already low base and competitively priced relative to other clubs in and around Johannesburg.
- **Reduction** in green fees for 2020
- **Simplification** of the playing card categories aimed at providing member convenience
- Introduction of an extremely **well-priced unlimited golf package** in 2020
- Ability to pay both subscriptions and playing cards using **debit order** (terms and conditions apply to this offer)
- **R750 credit** to members club account if subs and playing cards are settled before 31 December, 2019
- **Increase in member discounts** on food and beverages from the current 10% to 15% next year.

2019 TRADING UPDATE

As mentioned in previous correspondence, 2019 got off to a tough start with the first 4 months yielding a larger than expected trading loss. The single biggest contributor to this result was simply insufficient rounds played by both member and visitors. We believe that our cost base is both tight but efficient, so there were few opportunities to cut our cloth differently. On reflection our pricing proposition, particularly for visitors was prohibitive relative to other clubs. We were thus relying entirely on member rounds, and guest of members, which was unrealistic.

We introduced visitor and member specials on a month to month basis, and the results have been really pleasing with consistent growth in rounds from May to October this

year. As a result of increased rounds, our food and beverage income has grown in line with the increased traffic, our costs remain well contained and controls are in place and we are now turning a monthly profit and have done so for the past six months. I do need to acknowledge the entire team at Wanderers for driving this turnaround !! I also get a strong sense that we as members can feel to new energy at the club.

We continue to learn, particularly against a backdrop of tough economic conditions and the overall relevance of golf in SA, where other lifestyle choices compete to the detriment of golf clubs. Our learnings this year, point us to very deliberate pricing propositions to maintain the volume of rounds we can achieve. This has most definitely informed the proposals below.

MEMBER SUBSCRIPTIONS

Our approach to member subs for 2020 has been to apply moderate increases to the categories, which are already very competitive relative to other clubs. We have also collapsed one band of intermediate golf being the student and 22-25 categories. We believe that the intermediate category is the foundation of new members at the club, and as such have priced them competitively.

SUBSCRIPTIONS (excl HNA and Affiliation fees)		
MEMBER CATEGORIES	2019 Subscription	2020 Subscription
Ordinary Member	R 8 500	R 9 200
Spouse of Ordinary Member	R 6 400	R 6 900
Weekday Member (non-voting rights)	R 6 400	R 6 900
Intermediate / Students 19-25	R 2 100	R 2 500
Intermediate 26-29	R 4 200	R 4 500
Intermediate 30-35	R 5 250	R 5 500
Absentee Member (<outside RSA- only ex members)	R 3 500	R 3 500
Country Member(<80km, members elsewhere)	R 3 500	R 3 500
Social A	R 3 700	R 5 000
Social B	R 2 650	R 2 000
Junior	nil	nil

The social A member category, which is a playing category is out of line with other playing categories, and thus has been bumped closer to weekday membership. The restrictions on Social A are a maximum of 20 rounds per annum, and no playing card bundles.

GREEN FEES 2020

We have dropped the base line green fee for 2020 for both members and visitors. This is specifically aimed at increasing rounds from both members and visitors. We have maintained the base green fee rate for intermediate members in 2020.

For an average member playing 20 rounds per annum, the total cost of golf in 2020 has dropped below the equivalent in 2019 for both Subscriptions and green fees.

GREEN FEES	BASE 2019 Green fees	BASE 2020 Green fees		
MEMBERS			Weekend	SAMS
Ordinary Members	R 345	R 300	R 300	R 300
Intermediate Members	R 250	R 250	R 250	R 250
Weekday Members	R 345	R 300	R 350	R 450
Junior Members	R 80	R 80	R 80	n/a
Social A Members	R 345	R 350	R 350	R 450
Sunrise Golf (incl. Breakfast)	R 150	R 150		
VISITORS			Weekday	Weekend
Affiliated	R 475	R 350	R 400	R 450
Non - Affiliated	R 750	R 500	R 500	n/a
Guest of Member	R 410	R 350	R 350	R 450
Junior Visitor	R 120	R 120	R 120	n/a
Sunrise Golf (incl. Breakfast)	R 170			

Weekday and Social A members in theory don't play over the weekend, but are often invited to do so. We have shown their respective weekend rates should this arise.

PLAYING CARDS

We performed some analysis around members who purchased playing cards in 2019 and have given some thought to the multiple categories that was on offer. Our learnings indicate that there were too many categories on offer and the discounts offered to base green fees was detrimental to the club.

This year we have simplified the playing cards into a 20 round bundle and an unlimited round bundle. The basis of the 20 round bundle is simple convenience to the member and does not attract a discount to reduced green fee. We could not reduce green fees and then offer discounts for playing bundles.

SIMPLIFIED PLAYING CARDS FOR 2020

Ordinary Members

Base rate for Green fees per Round	R 300
20 Round Playing Card	R 6 000
Unlimited Golf	R 12 000

Weekday Members

Base Rate for Green fees per Round	R 300
20 Round Playing Card	R 6 000
Unlimited Golf	R 12 000

Intermediate Members

Base Rate for Green fees per round	R 250
20 Round Playing Card	R 5 000
Unlimited golf	R 10 000

CART HIRE, CART PARKING AND LOCKER RENTALS

We have observed a general increase in operating costs associated with our fleet of carts, and thus are increasing rates to cover the increased costs of operating the carts.

CART HIRE	BASE 2019	BASE 2020
Member 18 Holes	R 275	R 350
Member 9 Holes	R 140	R 175
Visitor 18 Holes	R 350	R 400
Visitor 9 Holes	R 175	R 200

OTHER	BASE 2019	BASE 2020
Golf Cart Parking Per Annum	2000	2200
Locker Rental Per Annum	210	240

DEBIT ORDER ARRANGEMENTS

Previously we only allowed members the ability to pay by debit order on Subscriptions only and not playing cards. This year we have introduced the ability to pay both member subscriptions and playing cards on a monthly debit order, subject to the following terms and conditions:

- The Debit order facility will attract a 10% cost to base subs and playing cards
- Members will sign a debit order over 10 months
- Members undertake to sign an irrevocable order to the effect that they are members for the full year and not part thereof. This applies to playing cards as well. This is aimed at protecting the club from a member who stops paying part way through the year.

EARLY SETTLEMENT DISCOUNT and CLUB CARD DISCOUNTS

As mentioned in the highlights section above, we will be crediting R750 to every member who settles their membership and playing card accounts before 31 December 2109.

In addition, we acknowledge that we are trying to establish a cashless environment, and as such members will receive a 15% discount on all purchases through their cashless club card.

DATABASE UPDATES

As part of this year's membership renewal process, we are asking each and every member to update their contact numbers, email addresses, ID numbers, physical addresses and WhatsApp contact number. We will increasingly be corresponding with members using WhatsApp.

NEXT STEPS

We will be sending out a 2020 membership selection form this coming week, which will ask each of you to indicate what class of membership you are renewing and whether you will be requiring playing bundles and a debit order arrangement for 2020.

Once received, we will invoice members as per their requirements. Members who don't respond will be invoiced according to last year's status. Please also be EXPLICIT if you would like the invoice to be addressed to your business or alternate addresses or parties.

MEMBERSHIP MANAGER

As you know we have a Membership Manager in the form of Olga Chiloane, who sits at reception and is available to assist you in all matters membership and renewals.

Olga's contact details are as follows:

Landline: 011 447 3311

Email: membership@wanderersgolfclub.com