

NEWLANDS LTC – AGM 19 MARCH 2026

Dear Member,

The Finance Report is being shared with members in advance of the AGM. I will cover off the key areas within this report at the AGM and would welcome any questions in advance or during the AGM.

Overview

The year to September 2025 resulted in the Club generating a record surplus for the year of £154,291 (2024: £73,161). This financial result has been achieved not only as a result of a full year income of the padel courts, but also the ongoing success of all aspects of the Club driving and maintaining membership numbers and usage.

The main drivers for the increase in the surplus for the year are:

- Increased membership numbers and a below inflationary increase in membership fees - £44k
- Increased surplus from padel - £34k
offset by:
- Increased staff costs, in line with the growth in the club's income & activities - £16k

Income and expenditure summary

Income

1. Subscriptions at £350,889 are up £44,052 (14%) on prior year (£306,837). Even allowing for a below inflationary fee increase of c3% applied from April 2024, this was slightly ahead of our forecasts. The increase in membership numbers, particularly Senior members, ensured our subscription income remains healthy.
2. After a significant increase in Indoor tennis court income from 2022, this has been maintained at £67,356 (2024: £66,163; 2023: £57,065; 2022: £49,523). Historically, this increase in indoor court usage has a commensurate increase in electricity usage. However, as energy efficient LED lighting has now been installed in the indoor tennis hall, electricity costs are expected to reduce going forward.
3. Bar turnover was broadly in line with the previous two years at £87,213 (2024: £89,572). Income from functions and other income (eg room hire, trainer income) increased to £29,180 (2024: £25,432). Advertising and marketing income saw an increase to £9,216 (2024: £8,110).
4. Padel income has been broken out into a separate Income & Expenditure Account for further transparency to the Members.
 - a. In the first full year of usage, this produced a surplus of £52,210 from income of £107,139. Non-member court fees made up £50,237, being the £28/hour court fees paid by non-Members.
 - b. While Non-member income was significant, based on court usage, Members made up the majority of playing time on the courts. This has increased further in the current year, with Members having a priority two week window to book courts and Non-Members only having a one week booking window.
 - c. Going forward, we expect there to be a decrease in Non-Member income, but with the exceptional court occupancy levels, we expect the net income from padel to increase from the level reported to 30 September 2025

Expenditure

1. Payroll costs. Admin wages have increased by 22% over the year to £87,886 (2024: £71,935), in line with our forecasts. This is due to increased hours worked to cope with the growing demands of the Club, coupled with inflationary pay increases.
2. Heat and light costs remained very significant at £63,911 (2024: £68,070) which excludes padel electricity costs of £7,591. Post year end, we installed energy efficient LED lighting in the indoor tennis hall, which will reduce costs going forward. As mentioned previously, we are considering the installation of solar panels to further reduce the energy costs.
3. The spend on repairs and maintenance is in line with prior year at £82,011 (2024: £85,759). These costs are in line with our expectations for a Club of this size and scale. As the financial position of the Club improves, we are moving towards more proactive maintenance programmes, however, there will always be unforeseen repairs which have to be addressed and we will continue to do so.

Balance sheet

1. Fixed Assets: The court resurfacing of the outdoor courts was completed at a net cost of approx. £200k and this has been capitalised on the balance sheet and will be depreciated over a (very conservative) useful life of 8 years.
2. Cash: Cash at 30 September 2025 amounted to £56,994 (2024: £110,817). Going forward, we expect to maintain a healthy cash balance around this level, while ensuring that we invest any surplus in Club improvements to the benefit of the Members.
3. Loans: Bounce Back Loan – this will be fully repaid in September 2026. This proved a very useful source of funding at a time of great uncertainty, however, it is pleasing to see this loan being paid off in the current year. LTA Trust Loan – this was taken out to fund the padel courts and amounts to £196,000, repayable over 7 years.

Outlook

1. The Club is in the best financial position that it has ever been in, with record numbers of Members and a very health surplus.
2. The surplus generated will be used over the coming years to improve the infrastructure and facilities at the Club for the benefit of the Members, with over £1m of potential improvements at various stages of progression.

Finally

Thanks go to Kenny Adam for carrying out the Independent Examination of the September 2025 accounts.

Alan Pearson
Treasurer