

**Newlands Lawn Tennis Club
Finance Report 2021/22**

Dear Member,

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

Overview

Having had to deal with some challenging circumstances in my first year in the role as Club Treasurer, it has been pleasing that the second year has seen the Club return to closer to normality. This has also been highly beneficial from a financial perspective as the Club emerges from the pandemic in a very strong financial footing.

As you will have been made aware at the EGM for approval of the build of Padel tennis courts, we are keen to continue to invest in the facilities for the Members and keep the Club as the premier racquets club in Scotland. The financial position was discussed and commented on during the EGM – with particular consideration to the forecast position – hence this report will focus solely on the financial period to 30 September 2021.

It once again should be stressed the incredible support, effort and guidance which is provided by Douglas Cumine. As the Club has grown, Douglas has continued to provide the financial legwork to process the various income streams and has generously donated a huge amount of time to support the Club. In addition, Douglas has been the driving force behind the financial aspects of the Padel project. Going forward, we are aware that it is not a sustainable position to place these increasing demands on one individual and we will review this position over the course of the year.

Key investments in the Club to date

During the pandemic the club took the opportunity to:

- Floodlighting on the last three tennis courts (with this improvement capitalised on the balance sheet)
- Rejuvenating outdoor tennis courts at a cost of £16,000
- Refurbish the lounge bar and beer garden (with the support of generous member donations to assist with this refurbishment)
- Refurbish the glass backed squash courts viewing hall
- Re-roof the Clubhouse

This explains why the repair and maintenance costs increased by approximately £44,500 to approx. £81,000 compared to prior year. This had the knock-on effect of increasing the amount of non-recoverable VAT. In summary, the Club re-invested part of the grant aid to enhance the Club's facilities.

Income and expenditure summary

As Members should all have received a copy of the Club's Annual Accounts for the year ended 30 September 2021 with the AGM notice, I shall comment on the main features in these Annual Accounts and the state of the Club's finances.

The surplus for the year was £56,727 (compared to a prior year surplus of £25,152). This surplus benefitted from Covid support funding received of £82,418.

The ordinary surplus before depreciation, interest and exceptional income was £4,243 compared with previous year of £39,228.

Exceptional items, including Covid support funding, is analysed:

	2019/20	2020/21
	£	£
Glasgow CC – rates relief	990	1,980
Coronavirus Job Retention Scheme	17,159	15,803
LTA – venue fee refund	1,320	-
Covid19 restricted fund support	-	66,960
Bar vouchers & MyCourts credits	-	(2,325)
	19,469	82,418

Income

1. Subscription income of £213,353 has increased by £18,828 (an overall increase of 9.7%) compared to prior year.
2. However, the actual movements in monthly membership numbers and therefore subscription income has shown a more noticeable trend. Please see table below for details (excl TGA income):

	£	£
6 mths to 31 Mar 2020	104,732	
6 mths to 30 Sep 2020	<u>84,793</u>	189,525
6 mths to 31 Mar 2021	99,118	
6 mths to 30 Sep 2021	<u>109,135</u>	208,253

3. Having seen a considerable drop in the 6 months to 30 Sep 2020, as a result of the covid restrictions, subscription income has increased by £14,235 in the 6 months to 31 March 2021 and then by a further £10,017 in the 6 months to 30 September 2021. In the 6 months to 30 September 2021, it increased to a level in excess of the pre-covid subscription levels.
4. We can also report that membership numbers have continued to increase since 30 September 2021, so we have a strong degree of confidence that our subscription income will continue to grow over the next financial year.
5. Bar income over the current and prior periods have been significantly impacted by covid restrictions. That said, it has been disappointing that the income generated from the improved bar facilities has not increased. We hope that the members will continue to look to utilize this facility going forward.
6. Advertising and marketing income has increased as a result of a significant effort from a number of volunteers in driving this advertising push and we would also like to thank our sponsors for their continued support.
7. Functions and other income include physio room hire and income from gym trainers. These were all reduced or cancelled part way during the year.
8. Donations totaling £1,535 were received during the year, compared to prior year donations of £2,620. Once again, we would like to say a big “thank you” must be given to all the donors.

Expenditure

1. Payroll costs have remained consistent with the prior period. At various times during the last two years, staff had been placed on furlough or partially furlough and where applicable grants had been claimed through the Government Coronavirus Job Retention Scheme ("CJRS"). Payroll costs are shown as that actually incurred and the CJRS grants are shown within exceptional income.
2. Heat & light costs are slightly down in comparison to prior year. However, this is driven by the timing of enforced Club closures over that period. It will come as no surprise that heat and light costs have been increasing significantly and are expected to be materially in excess of this going forward.
3. Repair and maintenance costs are up from approx. £36,500 to £81,000 (as mentioned previously). Thanks again to Richard Pearson and Tom Culshaw for all their unseen work around the Club. Also, thanks to the many others who lend a hand to various maintenance projects. These all contribute to keeping costs down as best we can.
4. Most of the other expenditure categories are as expected. We continued to benefit from discounted satellite tv charges during the periods of bar closure, however this is expected to increase in the coming year as restrictions have lifted.

Balance Sheet

- The main capital expenditure in the year to 30 September 2021 was the new tennis floodlights installed at outdoor courts 5 – 7.
- The cash balance has remained healthy as a result of the strong levels of income generated in the year. A significant amount of this cash balance will be utilized as part of the wider Padel tennis project (in addition to the £17,005 of ringfenced funds for the Padel project).
- The Bounce Back loan which was taken out in September 2020 had the first monthly repayment in October 2021 and this will be repaid over a 5 year period.
- The LTA loan was repaid by £21,000 over the course of the year.
- Subs received in advance represent the portion of subs already received in advance that relate to the six months to 31 March 2022, being from those members that pay their subs in full rather than by monthly direct debit.

Finally

Thanks must also be expressed to Colin McIntyre for carrying out the Independent Examination of the September 2021 accounts.

Paul McGettrick
Club Treasurer