

**ASHBY CASTLE LAWN TENNIS CLUB**  
**2021/22 ACCOUNTS - TREASURER REPORT**

The last financial year thankfully saw some normality return and the club was open for the full 12 months.

The club did benefit from a small Covid related grant although this wasn't significant compared to the Covid grants in previous 2 years.

The general economy has been facing challenges in particular regarding energy costs and this does appear to have had an impact on membership numbers which were down on the previous year.

The club has, fortunately not been affected by the energy cost rises yet (other than potentially via the lower membership numbers) as we, fortunately, fixed our energy prices for 4 years, this deal expires April 2024. Based on a recent comparative quote this fixed deal is saving the club c£20k pa and unless prices drop significantly the club will probably have benefited to the tune of c£50k over the period from the fixed price contract but will, of course, potentially face a massive rise in energy costs in April 2024.

**Income & Expenditure**

Total income increased by £2.6k although membership income only increased by £1.6k despite the 10% increase in subs which reflects some members not renewing and a reduction in our total membership.

The reduction in membership is understandable given the current pressures on personal finances, the majority of the reduction was linked to family memberships dropping which had a knock-on effect on junior membership numbers as well as seniors. Obviously, a reduction in juniors is less of a financial impact on the club.

Miscellaneous income dropped which was due to a reduction in non covid grants and also the insurance claim for the drive received in the prior year. Additionally, we had a significant donation in the prior year which hasn't been repeated.

Coaching income increased significantly as expected given the Covid disruption to the prior year.

The bar income and profitability were well up on the prior year and bar sales were the highest we have seen since electronic records commenced (2012), we don't have records prior to 2012. All in all an excellent year on the bar.

Expenditure was up 10% on the prior year, the main increase being in general repairs and maintenance, this figure does include £11.8k of exceptional items (new furniture and fence repairs).

Affiliation costs increased as expected in a Covid free year when full fees were payable.

Electricity costs increased as expected, prior year costs reflected the club being closed for several months when lights would have been used extensively.

Our court and lights refurbishment costs were kept at a much lower level than the prior year which benefitted the accounts by £5.6k. These costs do move around significantly year to year depending on the timing of major servicing/refurbishment work.

Overall, a Net Income before depreciation and Covid grant income was £1.4k less than the prior year but given the exceptional items in this years figures it has been a good year.

After Covid grants and depreciation the profitability is significantly less than prior year but we did receive significant Covid grants in the 2021.

Ignoring depreciation the club delivered Net Income of £17.5k to cover loan repayments of £3k and a sinking fund transfer of £16.8k.

In summary we were £2.2k short of a cash break even. Given the exceptional expenditure this year that is a decent performance.

### **Balance Sheet**

Our balance sheet improved by £6.7k.

Our total cash balances improved by £13k to a total of £117.7k.

Fixed Assets reduced by the depreciation charge but in reality the depreciation charge isn't an important figure, the sinking fund payment is more akin to the true depreciation this is the figure the club needs to cover from profits.

### **Summary**

A decent underlying performance and, ignoring the positive impact of Covid grants on the previous two years and taking into account the exceptional costs incurred this year, 2022 has been one of our better years.

Whilst the club looks to be in a strong cash position, there is significant planned expenditure plus potential unplanned expenditure on LED lights and the club's finances are therefore much more precarious than they appear to be at face value.

Some difficult decisions will need to be made regarding where we target our expenditure and the timings of court replacements.

P Wood