



MAIDENHEAD
LAWN TENNIS CLUB

Treasurer's Report

Annual General Meeting 2023 - Financial Year 2022/23

Key Information:

	FY2022/23	FY2021/22	Change
Members Funds:	398,667	402,341	(3,674)
Income:	136,540	100,905	35,635
Expenditure:	140,214	156,105	(15,892)
Profit:	(3,673)	(55,200)	51,527
Profit (before depreciation):	24,848	(27,515)	52,363
Prepared by:	Tom Brooksbank		



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Report

Introduction

There have been significant developments in the management of the club's finances in the last year and I would like to thank the members for their sincere feedback at the last AGM being the catalyst for these changes.

There have been two major developments in the financial management of the club this year. The establishment of the Finance Subcommittee comprising the Treasurer, Chair and Secretary. Designed to ensure consistent and ongoing oversight into the clubs finances .This pairs with the new budget process whereby the entire board agrees the expenditure levels for each financial year.

The design of these processes and governance is such that there is now transparent and documented evidence of each and every decision to spend members funds.

Budget Process

Each year prior to the 1st April a budget will be compiled by the finance committee with input from the Directors responsible for each budget line. This will be approved by the Committee and progress monitored during the year.

For setting subscription rates the Treasurer will prepare a draft budget ahead of the AGM with input from the Directors responsible for the budget lines and use thus to set the required income and therefore subscription rates for the year ahead.

Each quarter the Finance Subcommittee meets and reviews progress against the budget and to discuss other items of financial administration. The subcommittee also has limited powers to approve emergency spending as required with swift ratification by the Committee.

If changes to spending levels are required or requested during the financial year then the director responsible for the budget item must prepare a request to the Committee. This along with the Treasurers comments on the proposal are presented and considered by the Committee and then voted on.

Granularity of reports

There were requests for increased granularity within the Treasurer's report at the last AGM. Following discussions with the Finance Subcommittee it was agreed the appropriate level for this was that of the budget line items. This provides information at the level it is discussed and agreed with the Committee and aligns with the accountable directors for each budget line.



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If there are any questions regarding the content or style of this report please send to treasurer@mltc.co.uk and I will endeavour to explain or incorporate into future reports.

As this report covers FY2022/23 the financial results pre-date the new budget process and therefore we have nothing to compare the results to as we will in future. However for transparency I have included the income and expenditure mapped to the current budget lines below. Please remember this is the level at which it is reviewed and discussed at Committee and the specific spending under each item is the responsibility of the relevant Director.

Budget Variance - Budget Level	
MLTC Limited	
For the year ended 31 March 2023	
Account	2023
Trading Income	
Subscriptions	131,447.30
Bar	10,307.16
Oaken Grove	4,082.56
Sponsorship	1,500.00
Club Tournament	1,415.69
Visitor Fees	806.59
Joining Fees	750.00
Sundry Fees	609.16
Total Trading Income	150,918.46
Cost of Sales	
Bar	12,760.33
Club Tournament	1,617.95
Total Cost of Sales	14,378.28
Gross Profit	136,540.18
Operating Expenses	
Depreciation	28,521.18
Administration	27,677.16
Utilities	19,458.99
Clubhouse Maintenance	17,728.88
Court Maintenance	8,201.69
Coaching Retainers	7,858.52
Cleaning	7,207.85
Gardening	5,106.25
Financial Administration	4,120.80
Professional Fees	3,834.00
Junior Development	2,557.13
Bank Charges	2,440.39
Teams	2,311.43
LTA Fees	1,440.00
Socials	1,059.36
Court Booking Software	350.00
Gifts	340.00
Total Operating Expenses	140,213.63
Net Profit	(3,673.45)



Profit/Loss

The Club made a profit before depreciation of £24,848 (p/y £27,515 loss). This represents a positive step for the club's finances following the impacts of COVID, which reduced our income leading to two consecutive years of heavy losses. Having a positive profit before depreciation means all else being equal our cash balances will continue to grow to fund replacement of facilities in future. Ideally if facilities were only being maintained not upgraded we would need a profit before depreciation equal to depreciation plus inflation (FY depreciation £28,521).

Overall losses for the year were £3,673 (p/y £55,200). As this is the last year without the budget process being in place this small loss is a reasonable result but in future years we will always endeavour to make a small ~£5k profit to cover unforeseen needs.

Income

Income for the year saw a significant rise to £136,540 (p/y 100,905), however as communicated last year our income in the prior year was greatly reduced due to COVID related discounts. These discounts represented a £26,481 reduction with the remainder of income growth coming from subscriptions price rises. Please note the cost of running the bar and club tournament are included here as they are accounted for as costs of sales affecting gross profit rather than direct expenses.

Expenditure

Expenditure before depreciation was £111,693 (p/y 128,420) which represents closer to the true operating costs of the club without irregular spending but does still include some elements of the final touches of clubhouse refurbishment works.

Committed expenditure

With the recent works completion there is currently no committed expenditure beyond normal running costs that the club needs to fund. With this said, this is due to the new budget process meaning plans for floodlighting to courts 7-10 are not committed until the decision to approve the capital expenditure for the program is made.

In that regard a wide range of funding options are being considered if our planning application is successful and the club chooses to progress to installation. If and when a request is made to me for the funds required then this will be discussed at length with the committee.



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Final Thoughts

The club's finances have had a tough few years with the impact of COVID (I hope this is the last Treasurer's report that needs to mention COVID). The large facilities work with the renovations of courts 7-10 and of course the clubhouse has greatly increased the quality of the club but leads us into a period of maintenance over development.

I now see it as my key task to steer the club back to the well resourced position we all remember from a few years ago. To do this we need to have long memories to ensure infrequent expenses do not become "unforeseen" expenses and ensure there are no surprises with the club's finances.

In this regard I think it is key that we are clear whilst the club is not predicted any cash flow stresses this is mostly due to the favourable timing of large maintenance meaning we always have some cash available. To ensure all aspects of the club we all treasure can be maintained independently of each other we must embrace the idea that the club needs to make a profit for some years to have fully provisioned sinking funds.

Due to the timing of the AGM and our financial year we are reviewing the results from FY2022/23, we are currently in FY2023/24 and the subscription rates proposed will affect FY2024/25. As the current financial year is often not referenced I will note we are tracking positively against the budget we set and the new processes and governance are working well.

While members do not expect to be involved in all day to day management of the clubs finances we must ensure they understand where their subscriptions are being spent and that use of the clubs resources is ultimately to promote and provide tennis opportunities.

Tom Brooksbank, Treasurer October 2023



Subscription Proposal

Required Income

Whilst the final budget for FY2024/25 will not be set until the new year the following draft budget has been circulated to the responsible directors without any material issues identified. This is then used to set the proposed rates. Please note we only budget for profit and loss Items so capital expenditure is not included. It is however, subject to the same sign off process as any other spending with the key difference being there is no ongoing funds to spend from.

Expense						
Category	Sub-Committee	Responsible Director	5 Year Average	3 Year Average	FY23/24 Budget	% of Total
Depreciation	Finance	Treasurer	-£30,017	-£30,402	-£30,000	21.80%
Administration	Finance	Chair	-£27,025	-£26,630	-£27,600	20.06%
Utilities	Facilities	Facilities	-£10,162	-£12,229	-£13,500	9.81%
Clubhouse Maintenance	Facilities	Facilities	-£23,837	-£12,899	-£11,400	8.28%
Cleaning	Facilities	Facilities	-£7,060	-£8,149	-£8,250	5.99%
Coaching Retainers	Coaching & Player Development	Chair	-£7,859	-£7,859	-£7,859	5.71%
Court Maintenance	Facilities	Facilities	-£13,172	-£18,923	-£9,500	6.90%
Gardening	Facilities	Facilities	-£4,839	-£5,015	-£6,100	4.43%
Financial Administration	Finance	Treasurer	-£4,155	-£4,061	-£4,600	3.34%
Bank Charges	Finance	Treasurer	-£2,851	-£2,964	-£3,250	2.36%
Insurance	Finance	Treasurer	-£2,656	-£2,882	-£3,000	2.18%
Junior Development	Junior	Junior Rep	-£2,067	-£2,662	-£3,300	2.40%
Tournament	Club Tournament	Competitive	-£543	-£710	-£1,750	1.27%
Teams	Teams	Competitive	-£1,874	-£2,065	-£1,750	1.27%
LTA Fees	Finance	Treasurer	-£1,008	-£1,440	-£1,500	1.09%
Socials	Social Activities	Social/Bar/Comms	-£895	-£1,216	-£1,660	1.21%
Bar	Social Activities	Social/Bar/Comms	-£2,014	-£2,694	-£1,500	1.09%
Google Workspace	Finance	Treasurer	-£100	-£167	-£500	0.36%
Court Booking Software	Court Allocation	Secretary	-£324	-£350	-£350	0.25%
Gifts	Finance	Treasurer	-£194	-£231	-£250	0.18%
Expense Total			-£142,652	-£143,548	-£137,619	100.00%



Subscription Rates

In line with the required income for the year the proposal is to raise adult membership costs by 5%, a below inflation increase that still meets the clubs needs for the future. Junior memberships have been deliberately left static as we are below member caps here so the club can gain more income by attracting new members over increasing prices.

Adult Categories	Current Membership Cost	Proposed Membership Cost
Honorary	£0	£0
80+ (Closed to new entrants)	£45	£50
Country	£120	£125
Young Adult	£140	£150
Adults	£270	£280
Adults on family memberships	£250	£260

Junior Categories	Current Membership Cost	Proposed Membership Cost
Under 10	£60	£60
Under 18	£100	£100
Juniors on family memberships	£60	£60

Social Category	Current Membership Cost	Proposed Membership Cost
Social Members	£35	£35

Fees/Discounts		
Category	Current	Proposed
Juniors Joining Fee	£45	£45
Adults Joining Fee	£75	£75

Note: No proposals to alter unmentioned ancillary fees due to their low impact on income and the prices already considered to be reasonable.