

## **Finance Report to accompany accounts for approval**

As part of the Noticeboard sent out, we have provided members with the accounts for the year to 31 August 2021 and an update on the 7 months to 31 March 2022 which shows our results in the year to date. Please note that the 7 months figures have not been independently reviewed.

### **Accounts for the year ending 31 August 2021**

I refer you to the document entitled 31Aug2021 Accounts LBSC.

This year's figures are again skewed by the impact of Covid and the grants we received as a result of this, with another £28k received as a result of periods of forced closure, mainly November through to March.

This was the first year where we offered a 50% discount in membership levels. As can be seen, this has reduced our income from subscriptions by roughly £5,000. This is a positive sign and shows members were keen to renew despite the uncertainty.

As expected, club and match income have all dropped from the prior year due to being unable to run these sessions. However, our light meter income remained strong given this was the only play allowed.

Our total cost base overall has remained in line with the prior year. Staff costs increased as we committed to paying 100% of wages and reclaiming what we could through the furlough scheme. Towards the end of the year we also took on two Kickstarter employees whereby their full wages are covered by the Government. This does create a slight timing discrepancy in that we pay them at the end of the month and then reclaim the costs the following month. The income from this has been included within Other Income with the full cost showing within wage costs.

Other costs have fallen due to decreased use in the year and where savings have been made.

In terms of projects carried out, we were able to take advantage of the periods of closure to refresh some of the look of the Club. Following work carried out on the changing rooms in the prior year, we have refreshed the look of the bar and lounge area, repainted the squash courts and had the badminton court lights redone.

Overall, the Club made a surplus of £10,771 in the year with a year end bank balance of £45,075.

Given the Club's strong financial position at this time, the Committee have decided that it should start putting aside a fund to go towards large and significant capital projects that are likely to arise in the future. This should ensure parity between existing and new members for the wear and tear of the facilities. We have decided to initially set this at £10,000. Going forwards from 2022-2023 we will aim to include in our budget each year a set amount that we will aim to increase this fund by so that it builds up in the coming years until such time it is needed. This is shown on page 1 of the accounts as a Designated Reserve.

## 7 months to 31 March 2022

As per last year I have included a summary of the results for the year to 31 March 2022. This also includes the comparative position as at 31 March 2021 and our results for the year to 31 August 2021 and 2020.

Due to Covid-19 impacting the opening of the Club during the 2020-21 year, it was agreed that we would offer a 50% discount for like-for-like renewals again this year. With the Club reopening fully and Covid restrictions being relaxed, we have seen a strong increase in subscriptions. As at 23 April 2022 the Club has now hit 400 members. This is up from 341 in 2020-2021. Again, I would like to thank all members that made a donation to the Club on top of their subscriptions.

Turnover so far this year is greater than the income received at this point last year, with the reduction in grant income being offset by increases in subscription, bar and sporting income.

As the Club has reopened and income has increased, as have our costs. This has been seen in increased gas and electric costs with the Club being open (included within repairs, maintenance and utilities), increased bar and shuttle costs and the rates relief ending (included within administration costs).

The main cost rise is in our wages. This is largely due to the employment of Kickstarter employees where the Club are reimbursed for the wage costs incurred. The income from this is shown within 'Other income/hire/grants'. Once offset against wages, our total wage costs will be in line with the prior year if JRS income is also taken into account.

We are currently showing a net deficit position of £1.5k for the year to date. This is to be expected given the Club is fully open, but the subs are lower due to the 50% offer given and that the Council grants designed to offset the loss of income were received in previous financial periods.

As per my report last year, the aim was to come through Covid with the Club in a healthy financial position which I believe we have achieved. Going forwards we need to focus on increasing our membership numbers and managing our costs as best we can, particularly given the rising inflation levels.

James Klanczkowski

Treasurer