

Ivybridge Tennis Club – Treasurers Report

12th June 2016

Introduction

It has been a challenging few months since I was appointed Treasurer of the club, effectively at the end of February. I think I have only begun to scratch the surface as to how the club operates but it is clear that there is plenty that needs attention. I have had to strictly prioritize my time on those topics which I believe are most important with many issues still remaining to be reviewed. I will answer what questions I can at the AGM but I have received no handover from a previous treasurer (there wasn't one) and so my knowledge of the details of the 2015 Accounts is little or non-existent. If there are important questions which cannot be answered on the spot, Verity and I will deal with them after the meeting. Having said that I don't want to dwell on the past and unless an understanding of what has happened before will help us with a plan for the future, I want to stick to looking forward.

Formal Accounts

We have circulated the 2015 Accounts in advance to enable members to study them. I have produced a synopsis of the past 4 year's accounts which are attached. The figures speak for themselves – the club is standing still financially. Whilst there are a couple of anomalies which I need to check with the accountant, the general picture is that we are just about covering our operating costs and the LTA loan repayment with little or nothing left to build up capital for a carpet replacement. Our "savings" in an investment account are just over £21,000 and we had about £9,000 of working capital in the current account at the year end.

Over the last few years, various initiatives have been tried by the committees of the time with high subs and low court fees; or low subs and high court fees; or low subs and low court fees and then different permutations of visitors fees. It does not make much difference to Tennis Income from Members (actually includes visitors as well) or Court Utilisation. In my view the members of the club are probably playing as much tennis as they wish and looking to them to fill the 30% of unused courts is not going to be the answer. We will be discussing plans to increase the club income under the agenda item "Future Management of the Club" so I won't say any more on this topic in this report. The other main opportunity for us to raise turnover is on the catering side. This will also be covered at the AGM.

Subscriptions

As you may recall, a decision was made last year to charge subscriptions by the calendar year rather than April to March. Whilst this simplifies production of the annual accounts, it does make compliance with the Club Rules regarding members' approval of subscription rates different from previous years. The AGM was generally held in March just after the Accounts had been finalized. This enabled subscriptions to be set but still not really early enough for invoices to be issued for receipt of payments by 1st April. For the subscriptions due on 1st January 2016, the committee (significantly understrength with resignations) had to decide on subscriptions without the benefit of a treasurer, an AGM or Annual Accounts. They made, what was in my view, the only sensible decision namely to continue with unchanged rates. I hope that you will support that decision under the relevant agenda item.

This year the committee will consider what they believe to be appropriate subscription levels during October. An EGM will be called in November to approve the subscriptions and invoices will be issued at the end of November for payment by 1st January 2017.

At this point, I need to mention the problems encountered collecting subscription payments this year. It took until the end of April for all the subscriptions to be paid and involved a vast amount of work for Verity and Sarah identifying and pursuing members for late payment. I was surprised and disappointed by the attitude of a reasonable minority of members who clearly thought it was acceptable to delay for as long as possible with a variety of excuses. Verity and Sarahs' time could have been far better spent, taking other actions to improve the profitability of the club. We will have to take a much firmer line about unpaid subscriptions in early 2017. This will also prevent repeat of the situations where (ex) members played on for a few months then confirmed in March that they didn't wish to rejoin.

I also need to remind members that under the club rules, membership is for a year (or a part year to the next annual renewal date). Payment by direct debit is a concession to smooth members' outgoings. It is definitely not a monthly membership system. A number of members believe that they can cancel and rejoin as and when they like. This is not correct and payment by direct debit involves a commitment to pay for the whole subscription year.

Payment of fees for courts and club sessions.

We are aware that there have been a number of instances of non-payment of court fees or fees for attendance at club sessions. We only have one member of staff on duty and they can be busy so we would expect members to take the initiative and ensure they pay what is due. This may reduce the need to implement more formal procedures for collecting these fees.

Conclusion

I don't apologize for having spent some time discussing the collection of money from members as those members who do pay promptly would consider it a failing if we didn't tackle the issue. However it is only one area that we need to address to turn this club around. We are in a race against time to accrue sufficient capital to renew the carpets at a not too distance point in the future. We are advised that this will cost in excess of £100,000 and we will be making enquiries to confirm this. However unless we can improve profitability significantly (say £15,000 to £20,000 pa), we will need to consider alternative models for ensuring a sustainable future for the club. This is the background to the agenda item to consider the Future Management of the Club.

Mark Owen
Treasurer
12th June 2016