

Ivybridge Tennis Club – Treasurers Report

12th July 2018

Introduction

2017 has been a year of change for the Club and the way its finances are arranged. Until 31st March the coaching programme was run by TennisMad in accordance with their 2014 contract and the coaching finances were separate from the club. The contract was terminated, the coaching was bought in house and Paul and his team became club employees for the remainder of the year. This has led to added complexity in the accounting arrangements in addition to some transitional effects. These are described below.

Formal Accounts for 2017

We decided that the accounts should be structured in such a way that the traditional financial performance of the club (now called Club Operations) should be monitored separately from the newly included coaching performance (Ivybridge Tennis Academy or ITA). As explained in the Notice of this AGM:

"Whilst the formal accounts are drawn up as previous years, there are now three sets of "Detailed Income and Expenditure Accounts". Page 13 is in respect of the Ivybridge Tennis Academy (ITA) Coaching Programme. Pages 11 and 12 are in respect of the Club Operations and are directly comparable with previous years. Pages 9 and 10 show the overall position and are a summation of the first two."

Club Operations continues to include court fees transferred internally from the ITA programme to enable the ITA performance to be strictly monitored and direct comparison of Club Operations with previous years.

We have circulated the 2017 Accounts in advance with the formal Notice. A simple summary of the three detailed Income and Expenditure Accounts follows:

2017 Detailed Income and Expenditure Accounts					
Club Operations			ITA		2017 Total
Turnover	161,580		Turnover	111,440	Turnover 273,020
Cost of Sales -	26,459		Cost of Sales -	51,492	Cost of Sales - 77,951
Other Income	7,868		Other Income	-	Other Income 7,868
	142,989			59,948	202,937
Expenditure -	121,512		Expenditure -	56,919	Expenditure - 178,431
	21,477			3,029	24,506
Finance Costs -	5,188		Finance Costs	-	Finance Costs - 5,188
Profit before depreciation	16,289		Profit before depreciation	3,029	Profit before depreciation 19,318
Depreciation -	4,896		Depreciation -	3,171	Depreciation - 8,067
Net Surplus	11,393		Net Surplus	- 142	Net Surplus 11,251

However a correction needs to be made to the formal accounts to reflect the true picture. We have been badly let down by the invoicing of our electricity supplier between October 16 and September 17. No invoices were received until February 17 which were then cancelled in May 17. Invoices were finally

received in March 18. After queries and disputes we received a credit of £780 in recognition of the poor performance. This has meant that the 2016 Accounts were missing £4,000 of cost and 2017 includes £4,000 of costs from the previous year. This means our performance is in fact an improvement of £8,000 on 2016 although this is not apparent from the accounts.

Additionally there is some income and costs in respect of the tournament programme that should be showing in the ITA and not the Club Operations accounts. Making these adjustments the bottom line would be:

Club Operations		ITA		2017 Total	
Profit before depreciation	15,052	Profit before depreciation	8,245	Profit before depreciation	23,297
Depreciation	- 4,896	Depreciation	- 3,171	Depreciation	- 8,067
Net Surplus	10,156	Net Surplus	5,074	Net Surplus	15,230

2017 required significant expenditure on "Repairs and Renewals" of the premises with the external cleaning, leak repairs and lighting renewal (£8,000 more than in 2016). We must also remember that we make loan repayments of £11,750 to the LTA each year out of the net surplus which means that in 2017 we have made an addition of £3,480 to the reserve funds.

2017 is a year of transition and many changes have been made by Paul and Sue to the way we run the club which will reflect in improved performance in 2018. These include the changes made to reception and cafe operation and significant increases in rental charges for external use of our facilities by our partners. We have also incurred fixed transitional costs in acquiring the assets needed to run the coaching programme which are being written off over just two years.

Prospects for 2018

Key issues for 2018 which we can discuss at the AGM:

1. Developing the coaching programme
2. Maintaining the excellent links with schools
3. Concern over membership numbers - significant reduction at the 2018 renewal (approx 30 members)
4. Marketing the club
5. External courts renewal in 2019

Subscriptions

Subscriptions for 2019 will be considered by the committee in the autumn. If changes are proposed, an EGM will be called to enable members to ratify the changes.

Unfortunately I need to remind members yet again that under the club rules, membership is for a year (or a part year to the next annual renewal date). I said this last year but we still have members cancelling their direct debits in the middle of the year. Payment by direct debit is a concession to smooth members' outgoings. It is definitely not a monthly membership system. Members paying by direct debit cannot cancel and rejoin as and when they like, as payment by direct debit involves a commitment to pay for the whole subscription year.

Conclusion

I believe that the financial prospects for the club are still far better than in the last few years and I am optimistic that we are heading in the right direction. However it all depends on maximising the coaching programme and achieving growth in membership numbers and court usage which will always be a challenge.

Mark Owen Treasurer