2025 AGM - Treasurer's Report

Financial Highlights
The 2025 accounts report a deficit of £144k (2024: £2k deficit). This is driven by the clubhouse refurbishment and a change in the accounting policy on tennis memberships

Turnover
The reduction in turnover is due to a correction in the accounting treatment of Tennis membership. With tennis memberships effective from the 1st June in 24-25, only the first 2 months fall in the financial year. The remaining months are for membership in 25-26. Previously a higher portion of the membership fees were recognised in the financial year in which they were paid. This has reduced the reported turnover by around £40k.

It doesn't alter the cash held by the club, it is just saying we can't recognise some of membership fees as income yet. The underlying change in tennis memberships was actually very positive, increasing from £112k to £136k, despite reducing the membership period to 11 months.

Aside from memberships, they were increases in Tennis income from the Junior Tournaments and Friday nights participation.

In the other areas, Squash income reduced slightly with membership and the comparison to more tournament court hires in the previous year. Bar sales increased by £3k due to combination of price increases and higher volume.

Direct Costs (tennis, squash and bar costs)
It was a fallow year for Tennis court maintenance with minimal costs compared to the £20k spent the previous year. Whilst squash spent £3k cleaning the walls and sanding the floors of courts 3 and 4. Tennis coaching costs increased as it was added as an option in club play sessions. The other main cost in this area is accruing a sinking fund for Tennis court refurbishment, this was unchanged at £19k. The extra bar sales covered increased wage costs, so the bar continues to breakeven.

Other Charges (general expenses)
The change here is due to the Club house refurbishment being the main cause of increased repairs & maintenance by £127k (from £9k to £136k). There was also quite a large % increase in light, heat&water costs with the additional floodlights added on courts 1&2.

The two significant financial impacts, the deferred tennis memberships (£40k) and the club house refurbishment (£127k) more than explain the high level of deficit in the financial year.

Balance Sheet
Whilst the P&L gives the changes that have happened in the last year, the balance sheet gives a snapshot of the financial status of the club. There are a few key balance sheet items worth highlighting.

Assets
Fixed assets are unchanged as they are held at cost and not depreciated. The value probably exceeds the figure on the balance sheet and an annual revaluation would just incur costs for no benefit.

Current assets are nearly all Cash held in the bank. The reduction in the year from £236k to £145k at year end was due to the expenditure on the clubhouse. At the end of October, after squash membership fees and 3 months of costs, cash in the bank was £150k. There is high VAT reclaim, due to the clubhouse refurbishment, which we should receive shortly.

Creditors - Less than one year
This is where the increase in deferred tennis memberships appears, reflecting that some of the cash held in current assets is actually memberships paid in advance

Provision for Court Replacements
Also known as the Sinking Fund, which was started to accrue monies for the refurbishment of the outside courts. The purpose of the accrual each year is to build funds for the significant costs of court refurbishment and smooth out the impact of lumpy repair costs.

The 2025 accrual was unchanged at £19k, the same as the last 4 years. With no significant maintenance on the tennis courts this financial year, the sinking fund has increased by the £19k accrual to £88.5k.

Current Financial Year

Income & Expenditure
So far squash membership and court fees have matched last year and bar sales continue to increase, but the key driver of income will be tennis memberships next May, for which the subs will be paid in April.

As well as the normal inflation cost increases, there is a particular large increase in our business rates of over £4k as the central government sponsored discount rate has been reduced from 75% to 40%.

Maintenance Work
The planned squash work to re-lay the floor of court 1, sand the floor of court 2 and clean the walls of both courts is planned for October at a cost of £7k. A small amount was spent on cleaning tennis courts 1&2 in the summer, otherwise no work is currently planned.

10 Year Plan
The sinking fund concept I mentioned earlier was established in 2016 and based on a 10 year plan the annual accrual set at £16k pa, increasing to £19k pa in 2021. Obviously much has changed since then in the income from membership but also the cost of maintenance work. I plan to update the 10 year plan, balancing the cost of the cycle of maintenance across the courts versus keeping the club competitive and fair value for members.
As previously, both the squash court and general site maintenance costs will also be included to ensure we understand likely total future maintenance expenditure.