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Dear fellow Member, **Treasurer’s Report**

Some of you will know that I joined the Board as Treasurer in April 2023 and have now settled into the role having had time to look more closely at our finances during that period. With the previous couple of years’ being difficult from a profitability point of view, the initial key area that required our attention as a Board was to bring the Club back to break-even and even a small profit. The leak on squash court 4 had required many attempts to fix the problem and was a continued expense in our annual expenditure that needed to be dealt with. With the work that was done to the balcony early in 2024 we seem to have resolved the problem and my thanks go to the sub-committee that worked tirelessly to find a solution.

We set a budget in early 2024 that hopefully meant that we could get back to a more stable footing and look to achieve the target of break-even. As we finish the calendar year, I can report that we are slightly behind my budget, but the current position is only £5k short of this. We have cash balances in the bank to the tune of £130k with £100k of this on deposit.

We have re-surfaced the plexi-courts 5,6 & 7 this financial year to make them fully playable again. There are areas of the Club that the Board know need to have a freshen up and we will be looking closely at this. As I have said before, we want the Club to look good again as this is our shop front when potential new members look to join.

Our biggest single increase in expenditure again, going into the next 12 months, will be the staff costs, as the minimum wage will increase by over 10% on average. The NI increases will not impact us as badly as some businesses due to the nature of the way we employ our staff. I have though, asked both Josh & Luke to look closely at the staffing arrangements to see if there are areas that can be cut back slightly.

Because of the continued investment that we need to make in the fabric of the Club and the increase in normal expenditure I hope that you all understand that there will need to be an increase the membership fees accordingly. We are a members Club, and it is incumbent on us all to share the costs across the board.

Padel Tennis

I now come on to the Padel Tennis project which I and the Board are excited about developing. We do believe that this will be a major benefit for the Club and also help with regards to additional income.

At the meeting John Bartlett, our Chairman, will deliver a business plan and the reasons why we want to introduce it at our Club.

The build cost will be in the region of £142,000 + VAT. Whilst you can see that we have money in the bank my preference is to borrow virtually all of the costs on this project. Lloyds Bank have agreed this in principle. We have one long-term loan outstanding at the moment of approx. £120k which would have completed in another 5 years’ time. Had we tried to obtain a separate loan of £140k and keep the existing one on the current term, Lloyds would not have agreed the additional borrowing. That is purely because of our losses over the last few years; and their requirements for debt service cover against EBITDA profit would not have been met.

By amalgamating the current loan and the new funding for the padel courts Lloyds were able to provide an Offer for a new 10-year term loan at the same rate as the current loan. This will result in our monthly repayments increasing by approximately £450 per month. I appreciate that we are extending the current loan but without this amendment to the term we would have only been able to borrow an additional £40-50k.

This now means that we will have an additional sport that member’s can enjoy and more importantly open the door to new members, which in turn will increase our membership & bar revenue over the coming year. We as a Board believe that this will then help to keep membership fees at a reasonable level in the future.

The Board are continuing to look at other projects as has been previously outlined and solar panels is another significant project, which would benefit the Club and help us to control our energy costs. This and the internal look of the Club are the projects we wish to utilise some of our cash reserves for.

In terms of the projected income that we will see from Padel, this has been split into a couple of Categories

* New members joining either as Padel members or Full rackets members
* Visitor fees from people coming and using the Padel Courts
* Hire of rackets and sale of balls

We have worked through the times that Padel will be available at non-peak times to non-members and have projected a 25-30% utilisation of these courts within these times. This is to allow as much access as possible to existing members. We will monitor this over the initial 12 months and make any adjustments we see fit in order to fill the slots available. As we have stated, after 6 visits non-members will have to decide if they wish to join as a member in order to carry on using our facilities.

Kind regards

**Paul Barnsley**

Treasurer

Appendix A – Current Management accounts, final year projections & Budget for 2025-26

Appendix B – Likely subscriptions for 2025-26 with and without Padel being approved

Appendix A - Management Accounts

In terms of the financial side of the Club I have outlined below where I believe our projections will be to the end of this current membership year at the end of March and then the budget for the next 12 months.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Full Year** | **Projected** | **Budget for** |
|  | **2023-24** | **Full Year 2024-25** | **2025-26** |
|  |  |  |  |
| Sales – Subscriptions | **385,358** | **423,894** | **470,522** |
| - Bar | **266,887** | **261,549** | **268,088** |
| - Entrance/Visitor Fees | **1,737** | **2,258** | **32,500** |
| - Gym | **8,323** | **9,155** | **9,613** |
| - Tennis Bookings | **14,643** | **14,497** | **15,221** |
| - Advertising | **1,833** | **3,485** | **3,834** |
| - Room Hire | **2,483** | **3,104** | **3,414** |
| - Events & Misc | **3,575** | **850** | **1,100** |
| - Equipment |  |  |  |
| Sub Total | **684,839** | **718,792** | **804,292** |
|  |  |  |  |
| Sub Total | **170,190** | **155,556** | **165,858** |
|  |  |  |  |
| **GROSS PROFIT** | **514,649** | **563,235** | **638,434** |
|  |  |  |  |
|  |  |  |  |
| Other Income | **9,221** | **2,000** | **0** |
|  |  |  |  |
| **Expenses** |  |  |  |
| Wages | **217,987** | **248,505** | **285,781** |
| Pension Costs | **1,818** | **2,009** | **2,210** |
| Advertising | **417** | **459** | **1,250** |
| Rent, Rates & Ins | **23,583** | **20,753** | **21,791** |
| Light & Heat | **46,905** | **58,631** | **73,289** |
| Telephone | **8,136** | **7,648** | **7,801** |
| Print and Stationery | **6,164** | **7,397** | **7,027** |
| Exhibitions and Promotions |  |  |  |
| Motor and Travel | **106** | **106** | **150** |
| Professional Fees | **28,932** | **18,806** | **20,686** |
| Leasing | **3,961** | **4,951** | **6,189** |
| Equipment Rental | **1,930** | **2,200** | **2,211** |
| Repairs and Renewals | **59,710** | **32,841** | **45,977** |
| Disallowed VAT | **40,182** | **46,209** | **57,762** |
| Depreciation | **67,715** | **89,384** | **98,322** |
| Bank Charges | **21,942** | **19,748** | **24,685** |
| Sundries | **42,601** | **38,341** | **42,942** |
| **Total Payments** | **572,089** | **597,987** | **698,072** |
|  |  |  |  |
| **NET PROFIT/LOSS BEFORE TAX** | **-48,219** | **-32,752** | **-59,637** |

Appendix B – Proposed Membership Prices 2025-26

Membership prices are based on either; agreement by the members for Padel; or alternatively without Padel if it isn’t passed at the General Meeting.

**Proposed Subscriptions for 2025-26**

|  |  |  |  |
| --- | --- | --- | --- |
| **Categories** | Current Price 24/25 | Price inc Padel Courts | Prices without Padel Courts |
| Senior Rackets | 566 | 641 | 623 |
| Full Rackets Spouse | 498 | 570 | 548 |
| Restricted Rackets | 466 | 537 | 513 |
| Young Adult 19-25 Rackets | 376 | 443 | 414 |
| Junior 11-18 Rackets or Student | 258 | 279 | 284 |
| Junior 11-18 Rackets or Student Family | 209 | 226 | 230 |
| Mini  and under Rackets | 150 | 162 | 165 |
| Mini  and under Rackets Family | 120 | 130 | 132 |
| Full Rackets Country | 466 | 537 | 513 |
| Full Rackets and Gym | 736 | 817 | 810 |
| Full Rackets and Gym Spouse | 637 | 714 | 701 |
| Restricted Rackets and Gym | 601 | 677 | 661 |
| Young Adult 19-25 Rackets and Gym | 497 | 569 | 547 |
| 16-18 Rackets and Gym  or Student | 342 | 369 | 376 |
| 16-18 Rackets and Gym  or Student Family | 276 | 298 | 304 |
| Full Rackets and Gym Country | 601 | 677 | 661 |
| Summer University Offer- Full Rkts & Gym |  |  | 0 |
| Full Gym | 458 | 495 | 504 |
| Full Gym Spouse | 416 | 449 | 458 |
| Restricted Gym | 350 | 378 | 385 |
| Young Adult 19-25 Gym | 306 | 330 | 337 |
| Junior 16-18 Gym or Student | 215 | 232 | 237 |
| Junior 16-18 Gym or Student Family | 174 | 188 | 191 |
| Guardian for Mini U10 | 12 | 13 | 13 |
| Social | 85 | 92 | 94 |
| Life Member |  | 0 | 0 |
| Social plus Sauna | 175 | 189 | 193 |