

Malahide Lawn Tennis & Croquet Club
Hon. Treasurers Report for AGM – 28th February 2022
Covering Year ended 30 September 2021

I am pleased to present the results and financial report for the Year Ended 30th September 2021. The accounts have been audited by David Moran & Co. and posted on the website.

Summary

Overall, the Club incurred an accounting surplus of €41,369 for the year, compared to a surplus of €30,063 for 2020.

Adjusting for Depreciation & Grant Amortisation (which are substantial non-cash items), the club generated surplus cash from operations of €122,730 compared to €130,142 for the previous year. This increase in funds generated was as a result of the increase in the operating surplus offset by a decrease in working capital movements.

From this surplus, the Club had annual loan repayments which in 2021 were €35,949 and capital expenditure in the year of €7,738. Overall a net cash surplus of €79,045 was recorded for the year. This is shown in the Cash Flow Statement on Page 10.

The Club's financial position, which is shown in the Balance Sheet on Page 9, shows total net assets of €793,752 and a closing cash balance of €318,279.

Review of Income

Income from all sources was up by €43,476 to €324,621. Net Membership Subscription Income increased to €271,900 from €240,991, reflecting the increase in the membership numbers. Subscription income is discussed further below.

Entrance fee income fell to zero from €3,621 in 2020 and was due to 2021 AGM decision to waive entrances fees going forward.

The club received three revenue grants during the year totalling €27,533 namely a €15,333 Restart grant from Fingal CC, an €11,000 Resilience fund grant from Tennis Ireland and a €1,200 Youth Sports grant from Fingal CC.

Income from room rental decreased to zero from €5,894 in 2020 as a result of the club house being closed due to Covid restrictions. We would hope to be able to open the club house to such rentals in the near future and to generate the €10k - €15k annually that we received pre-Covid.

Review of Operating Costs

Overall, the cost of running the club increased by €23,986 to €305,831.

Depreciation decreased by €7,274 as a result of refurbishment of courts 3 to 5 in 2012 now being fully depreciated.

Salaries increased from €67,168 to €82,556. This increase was primarily due to a salary increase primarily as a result of increasing the required number of hours for this part time role from 25 to 30 plus the non receipt of Covid subsidies which amounted to €5k in 2020.

The Groundsmen costs increased from €26,595 to €35,037. This increase was primarily due to the removal of compacted and contaminated sand from the top two courts at a cost of €9,080. The 2021 costs also included the rejuvenation of three courts at a cost of €10,377. A similar cost was also incurred in 2020.

The professional fees in relation to the covered courts were €17,551 and covered the costs from inception to 30 September 2021. The total costs up to the date of the planning permission application will be €24,329.

The club continues to strive to manage its costs and relevant suppliers and achieve cost savings where possible, without reducing the quality of service provided. We are however expecting significant cost increases in energy, cleaning services and in consumables in the coming year as a result of the current inflationary environment.

During the year, the club changed its finance system from TAS to SAGE. The new SAGE system is located in the cloud and can therefore be used offsite by a number of users, provides better security and eliminates the need for regular back-ups.

Bar account

The bar felt the effects of the coronavirus again this financial year. Income from bar sales decreased to €6,413 from €13,483 in 2020 and €38,791 in 2019. The bar incurred a deficit of €2,031 versus a deficit of €587 in the prior year with the disposal of "out of date" bar stocks as a result of forced bar closures compressing the margin.

Looking at the year ahead, less coronavirus restrictions in conjunction with the work of the new Social Committee should more varied functions in the bar each month and result in an increase in turnover and a return to profit.

Junior Activities

Junior coaching and camps continued to operate throughout 2021 in spite of Covid. Junior activities recorded a surplus €27,412 compared to a surplus of €32,767 in the previous year. As mentioned last year, the Easter and Summer tennis camps were brought in-house in 2020 with the club being responsible for all revenue and costs. The revenue from the camps in 2021 is shown separately in the accounts.

In Autumn 2020 the junior program was re-structured into three areas of focus, Development, Club and Performance. The performance programme was impacted in November 2021 with the departure of the head of the programme and a new junior committee was formed to review. In 2020, the club had approved the creation of two new roles, Director of Tennis and a Tennis administrator which had been put on hold due to uncertainties relating to COVID. A decision has now been made by the committee to proceed with filling both roles as early as possible in 2022.

The Junior Committee was limited in creating junior playing opportunities in 2021 due to Covid however with restrictions now eased, the coaching team and junior committee will have the ability to put in place a wider range of competitive events in 2022.

Club Membership and Subscription Income

Gross Membership Subscription Income increased to €300,005 from €269,826, reflecting the increase in the membership numbers in the 2020 / 2021 period. Subscription discounts decreased to €28,105 from €28,835 in 2020 as a result of the drop in members in the Over 60 membership category.

As a result of many individuals working from home during the year as a result of Covid, the year-on-year decline in memberships in previous years has been reversed. The membership is currently at its capacity and there are 302 individuals on the waiting list.

Bursary

No money was raised for the bursary fund in the year and therefore there were no contributions from the club. An amount of €1,385 which had been set aside for the coaching of Juniors in schools in areas adjacent to Malahide where no tennis is available, was not able to be spent. The money was therefore returned to the fund. The balance in the fund at 30 September 2021 was €2,383.

The goal of the bursary is to support local juniors who have limited access to tennis clubs and coaching. The bursary is primarily funded through fundraising with some club money only being contributed after the annual fundraising threshold of €2k has been reached. Funding the bursary however has proved difficult in the last number of years. The bursary sub-committee have made suggestions to the MLTCC committee as to how this can be improved.

A summary of the Account for 2021 is shown in Note 8 to the Accounts and further details around the Bursary are noted on the club website.

Capital Expenditure

Total expenditure in the year was €7,738 and relates to expenditure on new nets and a new boiler.

As advised at previous AGM's, a grant of €123,000 was approved by the Department of Transport, Tourism and Sport under the Sports Capital Programme. €81,318 was paid to us on 3rd December 2019. We have identified other required expenditure which meets the Department guidelines in order to draw down the balance. The Department have recently advised that supplementary grants be completed by 31 October 2022.

Conclusion

The bank balance as at the date of this report was €204,508 with March expenses still to be paid. This is an increase of approximately €54k on this time last year.

A budget for the 2021/2022 year was prepared using the membership number at 30 September 2021 and the proposed new subscription rates. This is forecasting a cash deficit of €40k in the year after loan repayments and capital expenditure of €80k.

At 30th September 2021, bank loans totalled € 112,704. The loans relate to the Clubhouse Extension which was completed in October 2010. These loans will be fully repaid by the end of 2024.

Finally, I would personally like to thank Michael Byrne for his help and support throughout the year. He truly is a great asset to the club.

Thank You.

Gerald Drury-Byrne, FCA

22nd February 2022