Financial Report for the Annual General Meeting

Accounts for the year ended 31 March 2020

At last years AGM I warned the shareholders that overhead costs were running at approximately 7% ahead of expectation and that would have a significant effect on the profit for the year. The management team managed to economise during the rest of the year and reduced the overall increase to 5.5%.

March 2020 was a poor month, whilst the Government shut us down on 20th March the impact was felt throughout the month and the result was that we ended up £63k worse than we expected for that month alone.

The final result for the year is a loss of £12k, our target of profit plus depreciation was £463k and we achieved £359K. In the circumstances that is an acceptable position.

The impact of Coronavirus

I would firstly like to thank all those members who renewed their membership in March and April 2020. The 60% of our members who supported the club and had faith in the statements made about the management of subscriptions gave us the confidence to plan for reopening and to communicate what was being done through the management and Chairman's newsletters.

In the early months of total lockdown we needed to maintain and protect the estate and retain a skeleton staff to deal with member enquiries. All non-essential staff were furloughed and we took advantage of the business rate relief available to us. The basic cost of this exercise was £144k per month.

In order to allow outdoor sports in May and June we were required to comply with the rules set out by the England Golf and The Lawn Tennis Association. To do this we brought staff members back from furlough to design and implement Covid safe systems and procedures including deep and constant cleaning of shared surfaces.

The gradual relaxation of the restrictions allowed the management team to gradually bring further staff back from furlough and to open and extend the bar and catering facilities.

We had anticipated that the relaxations would continue and were hopeful that we would be working in a normal environment by next Spring. Clearly the current increase in infection rates, particularly in our community, throws doubt on that assumption. We know that we have losses to the end of August approaching £600k, fortunately supported by our cash reserves and we are instigating measures to ensure that we break even in the short term, but the future is uncertain.

The Board is in the process of considering the company's options in a number of possible scenarios, but in the light of the Government's statements we believe that things are unlikely to change for now. However, having plans in place will enable us to react positively and quickly to any further imposition or relaxation of regulation.

Cliff Nightingale.
Finance Director.

16 October 2020