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AVENUE LAWN TENNIS CLUB (BURNHAM ON SEA) LTD
DIRECTORS REPORT FOR 12 MONTH PERIOD ENDED 31 MARCH 2005

As the Club's Treasurer and Financial Director I present the Balance Sheets and Accounts and make the following statements:

1. **The Club's trading year ended 31 March 2005 was a satisfactory one** on the whole. It is my opinion our Club finished the year in a sound financial position. Although there was a small temporary overdraft at 31 March 2005 (£1,173.72) this was cleared in April and the Club has funds (£31,572.22) in an investment account (sinking fund). See point 5 below.
2. **NET Surplus (Profit) for 2004/05 was £9,540.** This figure is an increase over the 2003/4 surplus of £7,137 although there were a couple of non recurring factors that influenced the 2004/5 figure (see later).
3. **Depreciation** is the figure written off the club's assets each year as they wear out (mainly Courts and Floodlighting) and is shown at the bottom of page 3 of the accounts. A full breakdown of the £10,184 is shown on page 2 of the accounts. This figure is quite high as the new courts and floodlighting are still relatively 'new'. It is worth reflecting that when this figure for depreciation (£10,184) is added back into the net profit a very satisfactory **GROSS Profit (Surplus) of £19,724** was achieved in 2004/5. (£18,643 in 2003/4). These 'temporary' (less permanent) assets are written down annually in the accounts to reflect their reducing value as they will need replacing in due course.

Good financial practice dictates that an organisation should put funds aside regularly to replace these 'less permanent' assets and ideally an amount approximately equal to the depreciation figure should be set aside. During 2004/05 the club set aside £10,000 in the investment account (£800-£900 p.m.). Throughout the financial year 2005/06 I shall be putting aside £1,000 each month i.e. a further £12,000, which will provide the majority of the funding required to resurface courts 5,6&7 (the 'old' artificial grass courts) and upgrade the floodlighting to these three court (see point 5 below).

4. **Club's Assets: As reported at the 2002 AGM the Accounts reflect (a) a revaluation of the Club's site (land only) following a professional valuation carried out in March 2001 (then valued at £250,000).** The Club's assets are now valued at £718,259 (Accounts page 1). Mostly made up of land value, clubhouse, courts and floodlighting.

5. **The Club's Bank account, investment account and the 'new' LTA loan balances at 31 March 2005 were:**

Bank Current Account balance: £1,173.72 overdrawn. This overdraft was cleared from income in April 2005 and I expect to keep the Current account in credit for the majority of the 2005/6 financial year. This is however largely dependent on the flow of income from subscriptions and the Bar, containing expenditure within budget, and the level of expenditure on resurfacing the 3 courts and upgrading the floodlighting.

Investment Account balance: £31,572.22 credit). The investment account will provide the majority of the funds to resurface the 3 older artificial grass courts and upgrade the 20+ year old floodlighting on the same 3 courts. It is intended to carry out this work in

September/October 2005. At that time the Club should have about £38,000 towards the overall expected cost of around £46,000. The balance will either come from a short term bank loan (say 12 months) or from a new LTA 5 year interest free loan.

LTA Loan: £37,500 owing (this is the residue of the £50k 10 year **interest free** loan the Club obtained in 2001/2 to assist with the overall cost of its major redevelopment. The loan is being repaid at the rate of £2,500 every 6 months and will be repaid fully in 2011.

6. Turning to the Revenue Account (page 3) these figures represent your Club's trading for the financial year.

So far as the INCOME SIDE is concerned I comment as follows:

- (i) Subscription income increased by £508 over 2003/04. Overall membership numbers were much the same as 2003/4.
- (ii) The Club benefited from a donation of £500 in 2004.
- (iii) The income from letting & hiring is split. The figure of £2,400 is the amount received from the NSCTP 'hire' of the Club's courts for coaching activities at the Club. The £3,013 is from hiring of the clubhouse. A significant increase on last year's figure of £1,410 much of which is due to use of the clubhouse by outside organisations on a regular basis.
- (iv) The Bar produced a profit of £5,323 during the year. The £3,032 reduction over the 2003/4 figure was due to the Club keeping bar prices as low as reasonably possible for members benefit and 'suffering' from smaller attendances at booked functions i.e. less spent over the Bar. The profit would have been significantly less had it not been for the goodwill of the relatively small 'band' of unpaid volunteers who give of their time behind the Bar. There is a separate Bar Account on page 5 of the accounts.
- (v) Social Events contributed £420 to overall profits. A further £471 came from takings from the Pool table.
- (vi) The Avenue Centurions was disbanded in 2004 due to falling numbers in recent years, hence there was no income from this source
- (vii) Sedgemoor District Council provided a grant of £1,000 during the year to assist towards the expenses incurred in organising and running the Sedgemoor Tennis Blitz.
- (vii) The 2004 August Open Tournaments unfortunately only provided a profit of £94. Entries were lower than in previous years and we suffered from not attracting any sponsorship funding although received the usual LTA tournament grants and funding from Somerset LTA for organising the Somerset 'Closed' (See page 5 for a separate Tournament account). A stronger marketing approach is being made for the 2005 tournaments including marketing through the club's new web site.
- (viii) Match Fee income fell slightly mainly due to a reduction in the number of Winter League teams for 2003/04 & 2004/05.
- (ix) The club received a very worthwhile £582 in interest during 2004/05 from the investment account mentioned earlier.

On the EXPENDITURE SIDE (bottom half of the Revenue Account- page 3) I comment as follows:

- (i) The maintenance expenditure on the Courts, fencing and non-clubhouse areas increased to £1,159 however the previous year's figure of £694 was much lower than hitherto.
- (ii) Less was spent on maintaining the clubhouse (£3,032) than in the previous year (£3,740). The figure includes paying the cleaner.

- (iii) Rates are shown as a credit figure (-£24) and some £2,000 less than 2003/04. During the year I managed to (a) negotiate a substantial reduction in the Club's rateable value (from £7,500 to £5,350, and I managed to secure Community Amateur Sports Club status (CASC) for the Club which substantially reduces the Club's annual rates bill. The Club had been receiving a 50% reduction in rates payable and this will now increase to an 80% reduction. Both these successes resulted in a rates rebate hence the credit figure in the accounts.
- (iv) There was a slight increase in the Club's Insurance premium - to £2,424 from £2,242. I feel the figure is too high and will be seeking an alternative insurer during 2005.
- (v) The figure under Light & Heat (£843) is a reduction over the previous year's figure (£1,310) as I obtained a refund on a credit balance with a supplier. Lighting costs include the Floodlighting.
- (vi) The Telephone expenditure alters very little each year. The payphone was removed in 2004, however broadband was installed. The figure of £1,043 for 2004/05 represents the line rental, cost of calls and broadband.
- (vii) The LTA Contributions figure of £1,275 represents the Club's affiliation fees to the LTA.
- (viii) Tennis Balls & Expenses - the figure of £926 is mostly for various league membership fees and provision of balls for various leagues. This expenditure should ideally be more or less covered by income from Match Fees (see the credit of £814 under income).
- (ix) The North Sedgemoor Community Tennis Partnership (NSCTP) receives an annual grant of £4,000 from the Club. This is a fixed sum. As most club members will be aware the Club is the lead partner of the North Sedgemoor Community Tennis Partnership (NSCTP), a Community led initiative that organises various coaching activities both at the Club and in the Community (mostly at Schools). The NSCTP has a separate Committee, with the Club having strong representation, and James Tuckett is its Tennis Development Officer as well as being the Club's TDO. In addition the NSCTP spent £1,000 delivering the Sedgemoor Tennis Blitz.
- (x) Expenditure on Printing/Photocopying, Stationery and Postage fell substantially to £633 from £1,444 in 2003/04. The 2003/4 figure was far too high and steps were taken to reduce this aspect considerably.
- (xi) Advertising expenditure however increased and at £1,143 is too high (£599 in 2003/04). Advertising is for membership, of coaching course, and for clubhouse letting. The spend will be reduced in 2005/06 and subsequent years. We hope to market the Club more effectively through our new web site.
- (xii) Bank interest & charges paid at £319 were much the same as 2003/04 (£290). The Club is classed as a business and therefore pays bank charges at business rates.
- (xiii) Sundry Expenses were contained at £527 (£929 in 2003/04). This figure includes the television licence, miscellaneous items, and cost of upgrading the Club's computer.

Prospects for the 2005/2006 Trading Year look good:

- (i) Last year in my Treasurer's Report I said I expected the Gross Surplus/Profit for this year (2004/05) to be around £18,000. It was £19,724. For this new year (2005/06) I am predicting a slight reduction in both Gross and Net Profit particularly as the rates refund in 2004 was a 'one off' although there will be a reduction in rates paid. The budget is set for £19,000 Gross Profit and £9,000 Net Profit i.e. after depreciation of say £10,000.

- (ii) *I would not expect the Club to go into overdraft this financial year (2005/06) although this may occur later in the year as income drops in winter months and the effect of increasing the level of funds put into the Club's sinking fund is felt more. There will also be the level of expenditure connection with the re-surfacing of the 3 artificial grass courts and the upgrading of the floodlighting on these courts.*
- (iii) *I am concerned about (a) the level of membership numbers and more effort must be made by the club to increase its membership numbers and the Committee has made a commitment to drive this forward in 2005 and beyond, (b) the reductions in both the bar profit and the surplus generated from the August Tournaments. These aspects are also being looked at.*
- (iv) *In conclusion I repeat what I said in last year's Financial Report: **your Club is active, the facilities are excellent – and represent good value for money. The entire Committee remains positive and working hard on behalf of its members.***

This Report was prepared by the Club's Financial Director/Honorary Treasurer, and was presented to the Annual General Meeting on 22 May 2005. The Report and Accounts were approved by the Board of Directors and members present at the AGM.


Richard Powell


**Finance Director and Honorary Treasurer
Avenue Lawn Tennis Club (Burnham on Sea) Ltd.**

22 May 2005

THE AVENUE LAWN TENNIS CLUB (BURNHAM-ON-SEA) LTDA36 *AEHXESK5*
COMPANIES HOUSE0248
25/05/05**BALANCE SHEET AS AT 31st MARCH 2005**

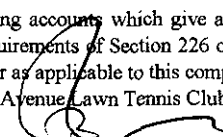
	2005 £	2004 £
ACCUMULATED FUND		
Balance as at 1st April 2004	710949	703812
Grants (Note 3)	-2230	
Surplus for Period from Revenue Account	<u>9540</u>	<u>7137</u>
Balance as at 31st March 2005	<u>718259</u>	<u>710949</u>
Represented by		
FIXED ASSETS (Note1)	719275	729112
CURRENT ASSETS		
Bar Stock(including Glass Stock £150)	2722	2368
Sundry Debtors	2685	5018
Cash in Hand	1423	678
Cash at Bank/Building Society	<u>30398</u>	<u>19228</u>
	<u>37228</u>	<u>27292</u>
CURRENT LIABILITIES		
Loans due within 1 year (Note 2)	5000	5000
Sundry Creditors	<u>744</u>	<u>2955</u>
	<u>5744</u>	<u>7955</u>
NET CURRENT ASSETS	<u>31484</u>	<u>19337</u>
	<u>750759</u>	<u>748449</u>
DEDUCT LOANS (Due more than 1 year)		
The Lawn Tennis Association (Note 2)	<u>32500</u>	<u>37500</u>
	<u>718259</u>	<u>710949</u>

I have audited the financial statements attached to this report which have been prepared under the historic cost convention. In my opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st March 2005 and of its surplus for the 12 months then ended.

 R.A.Dyer FCA 17/04/05**The Directors:**

- (a) have taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) [total exemption]
- (b) confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- (c) acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with Section 221 of the Companies Act 1985
- (d) acknowledge their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year ended 31 March 2004 in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

Approved by the Board of Directors of Avenue Lawn Tennis Club (Burnham on Sea) Ltd and signed on its behalf by


R.D.Powell Finance Director and Treasurer 24 May 2005

THE AVENUE LAWN TENNIS CLUB (BURNHAM-ON-SEA) LTD
REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2005

	2005 £	2004 £
INCOME		
Subscriptions	23407	22899
Legacies & Donations	500	500
	<u>23907</u>	<u>23399</u>
Letting & Hiring-CTP	2400	2200
-Club House	3013	1410
-Visitors Fees		9
	<u>5413</u>	<u>3619</u>
Social		
Profit from Bar	5323	8355
Profit from Social Events	420	579
Profit from Pool Table	471	512
Profit from " Avenue Centurion"		240
	<u>6214</u>	<u>9686</u>
Tennis		
Sedgemoor District Council Grant	1000	
Open & Junior Tournament Profit	94	962
Minor Tournaments & Match Fees	814	961
	<u>1908</u>	<u>1923</u>
Bank Interest	<u>582</u>	<u>175</u>
TOTAL INCOME	<u>38024</u>	<u>38802</u>
EXPENDITURE		
Courts- Labour & Maintenance	<u>1159</u>	<u>694</u>
Pavilion		
Labour & Maintenance	3032	3740
Rates	-24	2034
Insurance	2424	2242
Light & Heat	843	1310
Telephone	1043	953
	<u>7318</u>	<u>10279</u>
Tennis		
LTA Contributions	1275	1240
Tennis Balls & Expenses	926	684
NSCTP	5000	4000
	<u>7201</u>	<u>5924</u>
Administration		
Printing, Stationery & Postage	633	1444
Advertising	1143	599
Interest & Charges	319	290
Sundry Expenses	527	929
	<u>2622</u>	<u>3262</u>
Depreciation	<u>10184</u>	<u>11506</u>
TOTAL EXPENDITURE	<u>28484</u>	<u>31665</u>
SURPLUS for the Year carried to Balance Sheet	<u>9540</u>	<u>7137</u>

THE AVENUE LAWN TENNIS CLUB (BURNHAM-ON-SEA) LTD

AUGUST 2004 TOURNAMENTS- SENIOR & JUNIOR

	2005 £	2004 £
INCOME		
Entry Fees-Senior	1181	1258
-Junior	1294	1462
LTA/Somerset Grant	454	392
	<u>2929</u>	<u>3112</u>
Social Events		93
Donations & Sponsoring		750
	<u>2929</u>	<u>3955</u>
EXPENSES		
Prize Money & Trophies	1323	1158
Balls	230	214
Referee	1040	945
Referee's Assistant		100
Hire of Equipment		325
Umpires	80	
Printing & Postage	89	107
Sundry Expenses	73	144
	<u>2835</u>	<u>2993</u>
NET PROFIT to Revenue Account	<u>94</u>	<u>962</u>

THE AVENUE LAWN TENNIS CLUB (BURNHAM-ON-SEA) LTD

BAR ACCOUNT FOR THE YEAR ENDED 31st MARCH 2005

	£	2005 £		£	2004 £	
Sales		20208			23668	
Stock as at 1/4/04	2218			2053		
Add Purchases	<u>13998</u>			<u>14152</u>		
	16216			16205		
Less Stock as at 31/3/05	<u>2572</u>	13644		<u>2218</u>	13987	
Gross Profit		6564	32.48 %		9681	40.90
Less Wages	1241			1326		
Glasses, Optics, etc	<u>0</u>	1241		<u>0</u>	1326	
NET PROFIT to Revenue Account		5323			8355	

THE AVENUE LAWN TENNIS CLUB (BURNHAM-ON-SEA) LTD

NOTES ON BALANCE SHEET 31st MARCH 2005

NOTE 1 LAND, BUILDINGS, PLANT & EQUIPMENT

	Net Book Value at 01/04/2004	Additions	Sales	Depreciation	Net Book Value at 31/03/2005	Cost or Valuation	Accumulated Depreciation
Land	250000				250000	250000	
Clubhouse	384264				384264	384264	
Storage Hut	1214			121	1093	3516	2423
Courts	49343			4934	44409	75529	31120
Pavillion Furniture & Equipment	275	347		163	459	1547	1088
Fencing	3452			345	3107	8675	5568
Floodlights	31034			3103	27931	52229	24298
Bar Equipment	2123			318	1805	3214	1409
Pool Table	670			134	536	1165	629
Public Address System	210			42	168	363	195
Stacking Chairs & Tables	3067			460	2607	4592	1985
Freezer	414			62	352	618	266
Glass Washer	545			110	435	947	512
Microwave	287			57	230	499	269
Computer	592			120	472	1087	615
Television	450			70	380	620	240
Clock	594			60	534	735	201
Crockery & Cutlery	578			85	493	680	187
	729112	347	0	10184	719275	790280	71005

NOTE 1 LAND

The Land has been revalued in accordance with a professional valuation obtained in March 2001

NOTE 2 LOANS

Lawn Tennis Association interest free Loan

Capital Repayments of £2500 at 6 monthly intervals .

The loan is guaranteed by individual members of the Club. The Club in turn has pledged its assets in support of the member should the guarantee be called.

NOTE 3 GRANTS

An amount of £2230 was underspent of an available grant from Sport England and is writtenback in these accounts