

Treasurer's report - year to 31 March 2023
Presented at the AGM
September 2023

Overview

This report covers the overall consolidated financial results of the club for the 12-month period to 31 March 2023. The consolidated results include the charitable incorporated organisation ("CIO"); Berkhamsted Community Cricket and Sports Club ("BCCSC") and its trading subsidiary BCC Management Limited ("BCCM"). At the AGM we will invite the members to approve the statutory financial statements of the CIO only for filing with the charities commission. There is no requirement to file consolidated financial statements.

As a reminder, the CIO is prohibited from generating commercial income from the bar and pavilion as well as certain other activities, as they are not in line with the objectives of the CIO. It was therefore necessary to incorporate a wholly owned trading subsidiary (BCCM) to carry out these activities.

The lasting impact of covid and associated macro-economic factors had a significant impact on BCCM with the stand-alone business generating a loss of £44k (£35k cash impact after adding back depreciation on assets) and requiring continued cash support from the CIO to plug the shortfall. This resulted in an overall loss for the year on a consolidated basis of £27k.

Despite the increased revenue following Covid measures eased, BCCM suffered from increasing wage costs which were in excess of revenue increases, inflationary pressures and energy prices. The impact of a burst water pipe including associated costs is still to be agreed and work completed but is expected to be in the region of £28k. £4k of this balance has been recovered to date through insurance. To reflect the increasing cost profile, the annual re-charge from BCCM to BCCSC increased from £4k to £11k and BCCSC also made grants in the year of £12k for the purchase of equipment.

At 31 March 2023 the loan from BCCSC to BCCM totaled £53k. To enable BCCM to continue to trade solvently the Trustees took the decision to capitalise £50k of this loan as a further investment in the subsidiary such that it is no longer repayable. The Trustees continue to work with the Directors of BCCM and the pavilion staff to improve the profitability of the pavilion.

Consolidated financial performance

	2023	2022	Variance
Grants and donations	7,825	4,466	3,359
Fund raising events and sponsorship	7,848	9,110	(1,263)
Membership fees and other member income	94,206	96,978	(2,772)
Bar and event income	119,038	82,072	36,966
Other income	62	2	60
Total income	228,979	179,052	34,254

Resources Expended

Expenditure on:

Ground preparation	31,544	21,824	9,720
Equipment and repairs/maintenance	30,428	20,466	9,962

League fees and match expenses	2,783	2,589	194
Coaching costs and winter nets	42,170	32,938	9,232
Rent and rates	4,537	2,044	2,493
Professional fees	3,886	2,031	1,855
Depreciation	11,826	10,910	916
Utility and other pavilion costs	17,768	8,472	9,296
Insurance	5,705	5,919	(214)
Staff costs	56,781	33,427	23,354
Bar and event costs	48,218	35,083	13,135
Total	255,646	175,703	79,943
Net (loss) / income	(26,667)	16,927	(43,595)

The following are the key points to note:

- The lifting of covid restrictions saw significant uplift in revenue for the pavilion including some significant one-off events (e.g. Jubilee event) in the year;
- The increase in revenue from the prior year was offset by rising wage and other costs and the overall gross profit margin on the bar remained very low and insufficient to offset the rising cost base;
- The reduction in members income followed lower income from the various camps due to the opening up of overseas travel as well as timing differences based on timing of sign-ups;
- Coaching costs increased in line through both pay rate increases and also the further investment in player / coaches in the year;
- Costs of equipment and maintenance increased, partly due to investment in new kit and costs associated with the above water leak not yet covered by insurance;
- The energy cost increases led to a significant increase in costs of £9k.

Balance sheet

	2023	2022	Variance
Fixed assets	137,398	139,686	(2,288)
Cash	89,359	115,736	(26,377)
Debtors and prepayment	9,884	211	9,673
Stock	1,500	1,500	-
Total assets	238,142	257,133	(18,991)
Creditors	16,617	4,241	12,376
Loans	15,200	19,900	(4,700)
total liabilities	31,817	24,141	7,676
Net assets	206,325	232,992	(26,667)
Unrestricted reserves	206,325	232,992	(26,667)
Total reserves	206,325	232,992	(26,667)

The following are the key points to note:

- Cash position increased in line with the net loss in the year, once adjusted for non-cash costs (principally depreciation) and the closing receivable movement;
- The loan facilities with the BSGA and ECB are payable over the next 3 years; and
- As per prior years, the position at March reflects the peak cash position for the year following the receipt of junior funds.

Update on current financials

The club remains in a reasonable position from a financial perspective and well placed to continue the development of the facilities and support the community in line with its charitable objectives. However, there remains a challenge in running the pavilion profitably and this will, if not able to addressed or offset, will mean that cash reserves will continue to be depleted.

The trustees are currently considering further projects to maintain and develop the facilities further and would welcome suggestions from members.

Future funding

We are grateful to our sponsors; Our Garden Room, and Harrowell & Atkins. We would also like to express our thanks to continued support of the BSGA who continue to provide loan facilities and the use of the ground on favourable terms.

As a charity we are in a position to claim gift aid from donations as well as being able to benefit from matched giving schemes through a number of employers. If members are in a position to make donations, then please do consider these schemes available.

Review of accounts

As per prior years the accounts for the CIO have been examined, a local firm of Chartered Accountants, and their report will be presented at the AGM. Members are welcome to inspect the books at any time.

Special mentions

As always, thanks must go to Mark Lewarne and James Bell for the running of the junior section, which continues to contribute a significant part of the clubs income.

Thanks also go to Samantha Allen for the running of the BCCM finances.

As many of you may know, I am handing over the treasurer role after 9 years to Chris Fleming. I have really enjoyed my time as treasurer and hopefully leave the club in a position of financial strength.

If there are any questions in advance of the AGM, please do contact me.

Ollie Chinneck
Outgoing treasurer