

## TREASURERS REPORT 2020

*I am grateful this year to have enjoyed the valuable support of Mike Lowe and Tracey Rowe. Who during my periods of illness have taken on a lot of the financial work and pressures at the Club.*

*I have pleasure in submitting the 2020 accounts which are attached to this e mail.*

*2020 was of course a difficult year, but together with government aid and assistance we were able to record a net income for the period of £110,855 which is only £4,202 less than the income in 2019.*

*For the same period we were able to reduce our total cost of overhead by £6,433.*

*This produced an increase on the previous year in net profit before tax of £2,231 and a total net profit for the year of £23,123 before tax.*

*The reduction in overheads has been helped by continued stringent financial control. We examine every invoice received, and all the standing orders that we have in place. This has enabled us to gain some credits, and reductions.*

*This coming year, we can look forward to receiving all the income from pontoon rental as most of the ten-year licences have expired. However, we must recognise that the cost of maintaining the pontoon and general overheads will inevitably increase. The extra pontoon income will help to defray that cost. Any surplus could be added to the pontoon fund!*

*I am pleased that our profit for 2020 is reflected by a similar increase in our current account balance. For three years I have been stressing the importance of liquidity. It is so easy to be confused by a paper profit that is represented by an increase in assets rather than liquidity in the Bank.*

*As our Bank balance has grown, I can report that the Net Assets shown in the balance sheet give a total value of £618,901 which I believe is the highest figure in the history of the club.*

*As I have said before, it is important that we understand and preserve our key areas of income. The most important of which is membership.*

*In recent years we have focused on attracting new members. It is extremely important that this continues although of course during this terrible period of COVID this has not been easy.*

*When you look at the club as a business, which it certainly is, membership is our key product, and must be central to our budget. As a Members Club the income from membership is VAT free and does not attract corporation tax.*

*The other key area of income is moorings. These are essential for the club but do carry a high maintenance and servicing cost. Also, the income from moorings does attract corporation*

*tax as it is viewed as “rental income”. Up until last year we were able to offset the income from moorings against capital allowances in the balance sheet.*

*With lockdowns and social distancing, it has been very difficult to manage the Bar and Restaurant. However, we did manage to keep open whenever possible, and the Committee should be congratulated for only recording a small loss for the year 2020 in these conditions.*

*We always try to strike a balance of providing a quality of service that will satisfy our members and attract new ones, without being a drain on our finances. Even if catering creates a small loss, it is far better than having no service at all, as that will inevitably lead to a fall in membership.*

*Going forward, we should as a club continue to focus on liquidity and aim to keep our capital expenditure within budget and comfortably within the amount of profit shown in the profit and loss account. In fact, last year, in addition to the profit declared, we ring fenced £2411 of income into the balance sheet as a reserve for the pontoon fund. This sum is in addition to the profit shown and not part of it. I believe that it would be prudent to continue and increase this practise of capitalising a sum that is set aside, and ring fenced for the pontoon.*

*I have very much enjoyed my role as Hon Treasurer but am sorry that because of health concerns I am standing down this year. However, I do hope that in the future I will be able to advise and assist Mike Lowe, The Committee and Tracey wherever and whenever I can.*

*It is a balancing act to keep this club profitable. We will have to continue to increase membership and mooring income to keep up with the increasing overhead and maintenance costs.*

*What I said last year remains true. “While in the club office, I have often looked back over minutes covering more than 70 years. I have read the long history of committee members who over these years have given their time to developing this club. Culminating with the fantastic asset that we have! But the cost of maintaining it will increase and it relies on us the current membership and committee to take good care of it and ensure its future.”*

*PETER WATSON Hon. Treasurer H.R.S.C.*

