

Finance report for National Council

This report provides an update on the Q2 actuals and the updated year end forecast for 31st March 2022, which was reviewed by the Finance and Audit committee on 9th November 2021 and will be reviewed by the Board on 9th December 2021. We started the 21/22 financial year with a deficit budget of **£54,594**. The actuals for Q2 are below, which includes the latest forecast for the year (full year column), which is now showing a forecasted surplus of **£22,926**.

Table Tennis England

Management Accounts

For the Period Ending: September 2021

	YTD - 2021/2022			Full Year	
	Actual	Forecast	Variance	Budget	Forecast
	£	£	£	2021/2022	2021/2022
Turnover					
Commonwealth Games	56,434	56,434	0	126,877	183,311
Competitions	232,458	158,181	74,277	318,565	306,150
Core Operations	1,258,985	1,234,529	24,457	2,356,726	2,316,439
Development - Coaching	39,720	50,202	(10,482)	106,054	81,370
Development - Jack Petchey	18,132	72,076	(53,944)	181,724	195,404
Development & Volunteering	28,266	26,696	1,570	71,681	60,729
Marketing & Comms	23,020	23,923	(903)	87,507	88,622
Mass Market	42,869	37,128	5,741	56,800	63,369
Performance	45,710	71,927	(26,217)	47,124	121,759
Schools	5,296	5,166	130	6,500	6,793
Talent	0	0	0	15,000	0
UK Sport - Aspirational	44,723	44,723	0	55,068	54,723
UK Sport Progression	0	67,468	(67,468)	337,500	333,643
Total Turnover	1,795,614	1,848,453	52,840	3,767,126	3,812,312
Expenditure					
Commonwealth Games	(32,184)	(115,260)	83,076	(123,970)	(183,311)
Competitions	(125,808)	(132,667)	6,858	(567,908)	(517,751)
Core Operations	(197,485)	(227,875)	30,390	(474,903)	(474,599)
Development - Coaching	(58,133)	(70,915)	12,782	(154,662)	(140,393)
Development - Jack Petchey	(13,539)	(16,492)	2,954	(181,724)	(195,404)
Development & Volunteering	(185,964)	(214,687)	28,723	(551,747)	(489,996)
Marketing & Comms	(52,449)	(59,242)	6,793	(166,932)	(157,254)
Mass Market	(207,366)	(218,407)	11,041	(502,477)	(470,438)
Performance	(141,005)	(72,462)	(68,543)	(118,464)	(200,273)
Schools	(1,928)	(374)	(1,554)	(12,785)	(13,037)
Talent	(92,624)	(121,616)	28,992	(402,248)	(353,000)
UK Sport - Aspirational	(20,784)	(43,941)	23,157	(55,068)	(54,723)
UK Sport Progression	(54,217)	(107,329)	53,112	(337,496)	(332,124)
Total Expenditure	(1,183,485)	(1,401,267)	217,781	(3,650,384)	(3,582,303)
Overheads	(147,388)	(94,934)	(52,454)	(141,336)	(177,398)
Controllable EBITDA	464,741	352,253	112,488	(24,594)	52,611
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0
Depreciation	(13,653)	(13,501)	(153)	(30,000)	(29,685)
	451,087	338,752	112,335	(54,594)	22,926



Income and Expenditure Summary

When we originally compiled the budget for 21/22, we assumed for the most part it would be business as usual, apart from the level of membership renewals and those competitions we aware that had already been cancelled. It's also worth noting that restrictions were still in place, which allowed us to continue to make savings in some areas, such as holding meetings virtually, reduced rent and travel expenses.

I have provided information below to give some context to the variances against the original budget and updated forecast.

Competitions – Income for the Year to date (YTD) was greater than forecasted in Q1, this is mainly due to a large proportion of British league entry fees being paid earlier than Q3. The adjusted forecast for income and expenditure has been reduced, due to the couple of events that have been cancelled earlier this year. Expenditure is slightly less for the YTD than forecast in Q1, which is due to a delay in recruitment.

Core Operations – There have been savings from staff expenses, as well as committee meetings being held remotely, which meant we have spent less for the YTD than forecast. Although the expenditure has increased in the year end forecast compared to the original budget, this is for the Centenary post.

Income is slightly more than forecast for the YTD, which is due to membership renewals being greater than expected at the end of Q2. We have exceeded the 54% membership renewals, please see the section further on in this paper on membership information for more detail, including those that have taken a discount on their renewal.

Marketing – The income and expenditure is broadly in line with the forecast for the period and income for the year end hasn't changed much, although the expenditure is slightly less than originally budgeted for, which is due to savings in staff expenses.

MASS Market – While the Mass activities still haven't been able to return to normal, we have been providing equipment to people at home as well as supporting our partners, which is reflected in the YTD income being just above the forecast.

There is still likely to be a small underspend in staff costs, due to 2 staff members having been on Maternity leave, who returned to post mid-September.

Talent – For both Talent & Performance, there is still so much uncertainty with the international calendar, which means forecasting accurate expenditure is proving challenging. However, we are working to improve this as much as possible.

Performance – The original budget had been built on net expenditure assumptions for events that require recharging. So, when the forecast was updated for this year, the income and expenditure forecasts have been updated, rather than using net figures alone.

Development – We continue to see a reduction in staff travel expenses for the YTD, which has also been reflected in the year end forecast, along with a delay in recruitment costs that had been originally budgeted for. Activity had not yet returned to normal at the end of Q2, but with the launch of the new "Level the table" grant scheme, we will start to see expenditure returning to forecast levels in Q3 and Q4.

Coaching

There has also been a reduction in income and expenditure for the YTD, this is due to a delay in being able to provide Coaching courses, which didn't resume until the latter part of June.

Aspiration and Progression

There was a small carry forward for the Aspiration programme, which wasn't originally budgeted for, but both the Aspiration and progression programmes should have a zero impact on the bottom line.

Donations

I am pleased to report that we have had over 530 individual donations so far, since it was introduced on 17th July, totalling more than £3,500. With the highest donation being £100. There will be an announcement soon on how these donations will be used.

Row Labels	Donation					
	Amount	Sum of	Fee	Sum of	Net Count	%
Centenary Project	19.62	1.29		18.33	3	1%
Covid Recovery Support	821.51	49.64		771.87	112	21%
Local Club Development	1694.57	104.74		1589.83	259	48%
Talent and High Performance	80.51	5.29		75.22	14	3%
Youth Development	1139.71	67.84		1071.87	148	28%
Grand Total	3755.92	228.8		3527.12	536	100%

Membership information

The following tables show the current membership renewals as at the end of day on 4/11/2021, as well as those members that have requested a discount.

Membership renewals since 1st April 2021 (Renewals from 1st May are valid until 31st July 2022)										
Membership Count	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	2021/22	
Compete Plus - Cadet & Junior	7	18	18	281	247	137	78	22	808	
Compete Plus - Senior	4	23	23	305	442	344	81	7	1229	
Compete - Cadet & Junior	3	23	9	470	439	493	432	38	1907	
Compete - Senior	5	153	88	3,848	4690	3799	2351	131	15065	
	19	217	138	4,904	5,818	4,773	2,942	198	19009	
Membership Revenue	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	2021/22	
Compete Plus - Cadet & Junior	£ 133	£ 342	£ 342	£ 5,339	£ 4,693	£ 2,603	£ 1,482	£ 418	£ 15,352	
Compete Plus - Senior	£ 152	£ 874	£ 874	£ 11,590	£ 16,796	£ 13,072	£ 3,078	£ 266	£ 46,702	
Compete - Cadet & Junior	£ 24	£ 184	£ 72	£ 3,760	£ 3,512	£ 3,944	£ 3,456	£ 304	£ 15,256	
Compete - Senior	£ 80	£ 2,448	£ 1,408	£ 61,568	£ 75,040	£ 60,784	£ 37,616	£ 2,096	£ 241,040	
	£ 389	£ 3,848	£ 2,696	£ 82,257	£ 100,041	£ 80,403	£ 45,632	£ 3,084	£ 318,350	
Payment fees (Sport80/Stripe)	£ 31	£ 308	£ 216	£ 6,581	£ 8,003	£ 6,432	£ 3,651	£ 247	£ 25,437	
Amount reflected in 21/22	£ 248	£ 1,564	£ 2,673	£ 2,307	£ 101,553	£ 46,078	£ 38,570		£ 192,993	
Amount deferred to 22/23	£ 124	£ 782	£ 1,337	£ 1,154	£ 50,777	£ 23,039	£ 19,285		£ 96,496	
Membership Discount requested for 21/22 Season (Only those that renewed in 20/21 are eligible)										
Membership Refunds requested	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Totals	% of prior year
Compete Plus - Cadet & Junior	11	8	5	70	17	3	1	0	115	22%
Compete Plus - Senior	30	22	4	128	28	5	0	0	217	32%
Compete - Cadet & Junior	12	4	2	88	23	5	5	2	141	11%
Compete - Senior	307	268	85	1,721	380	180	44	2	2,987	27%
	360	302	96	2,007	448	193	50	4	3,460	25%
Membership Refunds requested	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Totals	
Compete Plus - Cadet & Junior	£ 44	£ 32	£ 20	£ 280	£ 68	£ 12	£ 4	£ -	460	
Compete Plus - Senior	£ 240	£ 176	£ 32	£ 1,024	£ 224	£ 40	£ -	£ -	1,736	
Compete - Cadet & Junior	£ 48	£ 16	£ 8	£ 352	£ 92	£ 20	£ 20	£ 8	564	
Compete - Senior	£ 2,456	£ 2,144	£ 680	£ 13,768	£ 3,040	£ 1,440	£ 352	£ 16	23,896	
	£ 2,788	£ 2,368	£ 740	£ 15,424	£ 3,424	£ 1,512	£ 376	£ 24	£ 26,656	



We are now at 76% of the 19/20 membership renewals.

Of Those 3,460 members that have requested a discount on their renewal, only 73% of them have used it so far. Overall, this is approximately 13% of renewals. See below for further details.

	Number used	Refunds requested	Value	% requested	% renewals
Compete Plus - Cadet & Junior	60	21	£ 240	70%	10%
Compete Plus - Senior	179	25	£ 1,432	94%	17%
Compete - Cadet & Junior	61	17	£ 244	55%	4%
Compete - Senior	1860	316	£ 14,880	73%	14%
have used discount/refunded	2160	379	£ 16,796	73%	13%
	Total				
	2539				

We will continue to monitor the level of membership renewals, as well as requests for the renewal discount and if necessary, adjust expenditure accordingly. This will be reviewed by the executives and the finance committee on a regular basis.

Other information

We have also been busy doing some initial work on the budgets for 22-27 and the Executive team are working with budget holders to complete this as soon as possible, which will be reviewed by Finance Committee in February and then will require Board approval ahead of the new financial year.

One thing to note is that with the increase in national Insurance from April 2022 by 1.25%, which will become the Health & Social care Levy in April 2023 we will see increased Employer costs.

We have done some initial calculations and as a rough guide, based on the current staff levels, we will incur £75k increased Employer NI costs from 22/23 to 26/27 (over 5 years). Which is approximately an additional £15k per year for the next 5 years. This means that we will likely need to increase revenue or find ways to reduce expenditure.