

## Finance report for National Council

This report provides an update on the Q3 actuals and updated year end forecast for the year ending 31<sup>st</sup> March 2023, which was reviewed by the Finance and Audit committee on 30<sup>th</sup> January 2023 and Board on 24<sup>th</sup> March 2023.

At the time of writing this report, the membership income recognised to date was £378,687 (circa £35,000 less than the total reported in 2019/20). In consideration of this shortfall, we expect to use the Membership top up funding awarded by Sport England to balance the membership forecast to an income equivalent to 2019/20.

It is also expected to be able to use the balance of the membership top up to support the adjustments caused by the change programme and commercial analysis. The membership top up of £111,000 is not included in the year end forecast below of (£72,320), however when this is brought in, the forecast is expected to achieve a break-even position.

### Table Tennis England Management Accounts

For the Period Ending: December 2022

	YTD - 2022/2023			Full Year	
	Actual	Budget	Variance	Budget	Forecast
	£	£	£	2022/2023	2022/2023
<b>Turnover</b>					
B2022 Innovation & Digital	173,447	173,447	0	237,812	179,734
Commonwealth Games	132,776	132,776	0	115,888	132,776
Competitions	369,847	368,085	1,762	392,052	442,759
Core Operations	2,327,905	2,329,897	(1,992)	2,403,929	2,341,476
Delivery	35,189	27,253	7,936	39,600	44,590
Development - Coaching	73,514	77,869	(4,355)	111,200	99,039
Development - Jack Petchey	139,686	136,286	3,400	50,000	224,091
Development & Volunteering	41,933	43,593	(1,660)	49,800	44,708
Marketing & Comms	69,423	74,894	(5,471)	79,740	72,633
Performance	115,760	80,234	35,526	34,000	132,760
Schools	25,672	23,473	2,199	25,809	25,672
UK Sport Progression	384,940	371,336	13,604	395,398	397,752
<b>Total Turnover</b>	<b>3,890,092</b>	<b>3,839,143</b>	<b>50,949</b>	<b>3,935,228</b>	<b>4,137,990</b>
<b>Expenditure</b>					
B2022 Innovation & Digital	(80,763)	(140,565)	59,802	(237,812)	(179,734)
Commonwealth Games	(132,776)	(132,776)	(0)	(115,888)	(132,776)
Competitions	(330,157)	(264,491)	(65,666)	(588,457)	(681,735)
Core Operations	(334,068)	(346,933)	12,865	(487,676)	(472,628)
Delivery	(143,579)	(155,812)	12,233	(253,167)	(251,658)
Development - Coaching	(109,251)	(116,883)	7,632	(156,313)	(159,733)
Development - Jack Petchey	(95,718)	(189,189)	93,471	(50,000)	(224,091)
Development & Volunteering	(445,925)	(441,413)	(4,512)	(619,613)	(580,855)
Marketing & Comms	(158,111)	(161,343)	3,232	(245,818)	(243,640)
Performance	(149,670)	(133,395)	(16,275)	(101,122)	(190,400)
Schools	(32,459)	(35,914)	3,455	(37,940)	(33,729)
Talent	(338,075)	(295,118)	(42,957)	(409,503)	(415,824)
UK Sport Progression	(321,298)	(260,407)	(60,891)	(395,399)	(397,752)
<b>Total Expenditure</b>	<b>(2,671,850)</b>	<b>(2,674,239)</b>	<b>2,389</b>	<b>(3,698,708)</b>	<b>(3,964,555)</b>
Overheads	(170,333)	(177,358)	7,025	(241,829)	(222,962)
<b>Controllable EBITDA</b>	<b>1,047,909</b>	<b>987,546</b>	<b>60,363</b>	<b>(5,309)</b>	<b>(49,527)</b>
Depreciation	(14,993)	(18,104)	3,111	(31,200)	(22,793)
Bank Interest Received	3,433	117	3,316	156	0
	<b>1,036,348</b>	<b>969,559</b>	<b>66,789</b>	<b>(36,353)</b>	<b>(72,320)</b>

## **Income and Expenditure Summary**

Due to continued uncertainty around membership renewals after the Pandemic, we continue to look for savings where we can and utilise any opportunity for additional funding streams.

I have provided information below to give some context to the notable Q3 variances and the updated year end forecast.

**Commonwealth Games** – Expenditure finished in Q2 and we have since received the outstanding award, which matches the income to the expenditure.

**Competitions** – The previous variance in income has now evened out, with a very small variance. Expenditure is ahead of the original Q3 forecast due to timings of expenditure payments, such as venue deposits etc. The year-end forecast has increased for income and expenditure compared to the original budget, which is due to the requirement to host the European qualifiers in January.

**Core Operations** – Last year we saw just over 80% of paid members renew compared to 19/20, so we have adjusted the year end forecast to reflect a reduction in membership renewals and associated payment charges. We are currently at 86% compared to 19/20 levels again. Income and expenditure is very slightly behind the Q3 forecast because of membership renewals. We will continue to monitor this and will provide updates to Finance Committee and Board on a quarterly basis. Please see additional section on membership renewals later in this report.

**Restructure Costs** – Since the start of Q3, the organisation has undertaken a degree of restructure to be fit for the purpose of delivering *Table Tennis United*.

The restructure has required us to use the services of HR, legal advice, and recruitment services – these costs will have been met by the Sport England top up and are within the Q3 actuals and updated year end forecast.

**Delivery** – Income for Q3 was slightly ahead of forecast, but there is a slight delay with the expenditure for the same period. The year-end Income and expenditure forecast have been adjusted, due to a small project we are working on with Parkinsons UK.

**Coaching** – The income and expenditure for Q3 and for the year end has minor variances, which is partly timing related, but also due to not providing as many Level 2 Coaching courses as originally forecast.

### **Jack Petchey**

The Jack Petchey programme spans financial years and the 11<sup>th</sup> year concluded in July. The income and expenditure for Q3 includes the previous award and the 12<sup>th</sup> years award which started in September. Expenditure for Q3 has a large variance, which is due to the forecasting of bulk table purchases which has now happened in the beginning of Q4. The year-end forecast has increased both in income and expenditure to reflect the new award.

**Development** – Both income and expenditure have small variances for Q3. The year-end forecast for expenditure is less than originally budgeted, which is due to small gaps in recruitment for vacant posts.

**Marketing** – The income and expenditure is slightly behind, which is due to timings of when this was forecast. Overall, for the year there are still minor changes in both the income and expenditure.

**Talent** – Other than Sport England funding for Talent, there is no other forecast income, this is why you won't see an income line in the report. Expenditure is showing as ahead of forecast, which is due to phasing of the budget.

**Performance** – The Q3 variances are partly due to phasing of the budget, but also the original budget was built on mainly net expenditure and has since been updated to show the income we receive from players towards the cost of camps and competition entries. This is also why the year end forecast for income and expenditure have both increased.

**Progression** – The income and expenditure are head of the Q3 forecast, which is partly due to phasing of the budget, as well as staffing and recruitment changes for the GB programme. Overall, the income and expenditure for the year will match and will have no impact on the final year end position.

### **Centenary Book**

We have sold 99 Centenary books so far this financial year. We continue to promote the book wherever possible and not only did we add the option to purchase a book as part of the membership renewal process, we also added it to the shop on our website. There are 52 Special editions and 277 official editions remaining. Unsold books are held as stock and are only reflected in the Income and expenditure as and when they are sold or written off.

### **Donations**

I am pleased to report that we are still receiving donations at a steady rate and the below is the summary for donations received so far for the current financial year. Total donations received since we introduced this feature in July 2021 is £7,226.39 with over 1,030 individual donations.

Row Labels	Amount	Fee	Net Count	%	
Centenary Project	9.25	0.67	8.58	3	1%
Covid Recovery Support	231.55	15.07	216.48	41	10%
Local Club Development	1694.5	102.92	1591.6	235	55%
Talent and High Performance	137.9	7.63	130.27	11	3%
Youth Development	882.72	55.76	826.96	137	32%
<b>Grand Total</b>	<b>2955.9</b>	<b>182.05</b>	<b>2773.8</b>	<b>427</b>	<b>100%</b>

### **Membership renewals**

Please see below details for membership renewals so far since 20<sup>th</sup> July. We are currently at 86% of pre-pandemic levels and have exceeded 2021/22 renewals.

Membership Count	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022/23
Compete Plus - Cadet & Junior	103	575	203	119	56	18	27	38	13	1152
Compete Plus - Senior	393	578	304	101	40	42	31	19	5	1513
Compete - Cadet & Junior	162	987	585	379	155	43	71	65	23	2470
Compete - Senior	4669	5587	3919	1284	301	128	147	84	29	16148
	5327	7727	5011	1883	552	231	276	206	70	21283
Membership Revenue	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022/23
Compete Plus - Cadet & Junior	£ 2,060	£ 11,500	£ 4,060	£ 2,380	£ 1,120	£ 360	£ 540	£ 760	£ 260	£ 23,040
Compete Plus - Senior	£ 15,720	£ 23,120	£ 12,160	£ 4,040	£ 1,600	£ 1,680	£ 1,240	£ 760	£ 200	£ 60,520
Compete - Cadet & Junior	£ 1,458	£ 8,883	£ 5,265	£ 3,411	£ 1,395	£ 387	£ 639	£ 585	£ 207	£ 22,230
Compete - Senior	£ 84,042	£ 100,566	£ 70,542	£ 23,112	£ 5,418	£ 2,304	£ 2,646	£ 1,512	£ 522	£ 290,664
	£ 103,280	£ 144,069	£ 92,027	£ 32,943	£ 9,533	£ 4,731	£ 5,065	£ 3,617	£ 1,189	£ 396,454
Payment fees (Sport80/Stripe)	£ 8,262	£ 11,526	£ 7,362	£ 2,635	£ 763	£ 378	£ 405	£ 289	£ 95	£ 30,548
Amount reflected in 22/23	£ 68,853	£ 96,046	£ 61,351	£ 21,962	£ 6,355	£ 3,154	£ 3,377	£ 2,411	£ 793	£ 264,303
Amount deferred to 23/24	£ 34,427	£ 48,023	£ 30,676	£ 10,981	£ 3,178	£ 1,577	£ 1,688	£ 1,206	£ 396	£ 132,151

Below are the prior total year comparisons, as well as 2022/23 to date.

	Number of members												Trend
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	
Compete Plus - Cadet & Junior	1,701	1,296	1,156	1,142	1,122	1,145	1,135	1,029	1,017	528	972	1152	
Compete Plus - Senior	1,179	1,148	1,133	1,140	1,145	1,257	1,320	1,366	1,326	680	1,357	1513	
Compete - Cadet & Junior	3,197	4,078	4,464	3,859	3,585	3,554	3,456	3,060	2,954	1,326	2,285	2470	
Compete - Senior	18,898	19,780	20,073	20,084	20,034	20,352	20,199	20,187	19,594	11,054	15,940	16148	
<b>Total Paid Members</b>	<b>24,975</b>	<b>26,302</b>	<b>26,826</b>	<b>26,225</b>	<b>25,886</b>	<b>26,308</b>	<b>26,110</b>	<b>25,642</b>	<b>24,891</b>	<b>13,588</b>	<b>20,554</b>	<b>21,283</b>	

### **Auditors update**

At the last AGM it was agreed to extend the contract for Haysmacintyre to audit the organisation for the year ending 31/3/2023. The audit will be happening week commencing 24<sup>th</sup> April 2023. The draft accounts and the audit findings will be ready for Finance committee to review on 24<sup>th</sup> May 2023, with the final version being sent to Board for approval in June, ready for distribution to the members ahead of the AGM.

We have also started the Auditors tender process, which we expect to be concluded by early June and will update in due course.