

Finance report for National Council

This report provides an update on the Q2 actuals and updated year end forecast for the year ending 31st March 2023, which was reviewed by the Finance and Audit committee on 9th November 2022 and Board on 9th December 2022.

At the time of writing this report, the membership income received to date is £363,801 (circa £47,000 less than the total received 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.

This is expected to achieve a forecast break-even position. The membership top up is not included in the following year end forecast, as we can't use it to report a surplus.

Table Tennis England Management Accounts

For the Period Ending: September 2022

	YTD - 2022/2023			Full Year	
	Actual	Budget	Variance	Budget	Forecast
	£	£	£	2022/2023	2022/2023
Turnover					
B2022 Innovation & Digital	173,447	172,500	947	237,812	239,536
Commonwealth Games	(54,724)	132,776	(187,500)	115,888	132,776
Competitions	335,219	125,107	210,112	392,052	431,845
Core Operations	2,282,000	1,269,171	1,012,829	2,403,929	2,340,609
Delivery	18,853	19,800	(947)	39,600	36,653
Development - Coaching	47,144	55,200	(8,056)	111,200	103,394
Development - Jack Petchey	36,992	50,000	(13,008)	50,000	222,139
Development & Volunteering	28,706	20,350	8,356	49,800	46,368
Marketing & Comms	13,284	14,920	(1,636)	79,740	78,104
Performance	63,234	0	63,234	34,000	107,234
Schools	23,473	11,000	12,473	25,809	23,473
UK Sport Progression	269,389	275,484	(6,095)	395,398	403,338
Total Turnover	3,237,016	2,146,308	1,090,708	3,935,228	4,165,469
Expenditure					
B2022 Innovation & Digital	(63,968)	(159,665)	95,696	(237,812)	(239,536)
Commonwealth Games	(132,776)	(132,776)	0	(115,888)	(132,776)
Competitions	(198,824)	(190,996)	(7,828)	(588,457)	(648,437)
Core Operations	(224,412)	(252,749)	28,337	(487,676)	(472,806)
Delivery	(85,904)	(130,728)	44,824	(253,167)	(248,933)
Development - Coaching	(71,980)	(74,997)	3,016	(156,313)	(162,985)
Development - Jack Petchey	(30,200)	(36,477)	6,277	(50,000)	(222,139)
Development & Volunteering	(292,714)	(280,047)	(12,668)	(619,613)	(575,538)
Marketing & Comms	(108,423)	(133,139)	24,716	(245,818)	(241,008)
Performance	(97,833)	(65,111)	(32,722)	(101,122)	(173,732)
Schools	(35,214)	(35,970)	756	(37,940)	(37,184)
Talent	(207,316)	(136,536)	(70,780)	(409,503)	(406,064)
UK Sport Progression	(161,401)	(179,200)	17,799	(395,399)	(403,338)
Total Expenditure	(1,710,965)	(1,808,389)	97,423	(3,698,708)	(3,964,476)
Overheads	(137,770)	(151,415)	13,645	(241,829)	(227,460)
Controllable EBITDA	1,388,281	186,505	1,201,777	(5,309)	(26,467)
Depreciation	(10,304)	(15,600)	5,296	(31,200)	(25,904)
	1,377,977	170,905	1,207,072	(36,353)	(52,371)

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 Q2 variances and the updated year end forecast.

Commonwealth Games – Expenditure has now finished and the outstanding award has now been received, so this will be reflected in the Q3 actuals.

Competitions – The variance for Q2 in income is due to the forecasting of when the entry fees for British league would be received. The year-end forecast has increased for income and expenditure compared to the original budget, which is due to the previously removed competitions and staff for these events being added back in.

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, as we are still unsure what renewal levels will be this year. Although we are currently at 82% compared to 19/20 levels. 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.

Cost of Living – At the Board meeting on 8 September 2022, Directors agreed to support a short term, non-consolidated, increase of £150 per month to 31 March 2023, to all staff. This equates to circa £38,000 for the period, and is included within the forecast.

Delivery – The year end forecast for Income and expenditure have reduced slightly, and although income for Q2 was as expected, there is a slight delay with the expenditure for the same period.

Coaching – The income and expenditure for Q2 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 forecast.

Jack Petchey

The Jack Petchey programme spans financial years and concluded in July. The income and expenditure for Q2 relates to the previous award. Following a successful bid for the 12th year, which was confirmed in September, the year-end forecast has increased both in income and expenditure to reflect the new award.

Development – Both income and expenditure for Q2 were slightly up on the Q1 forecast. This is partly due to the timing of the TTKidz programme. The year end forecast for expenditure is less than 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 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 Q2 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 expenditure is slightly behind due to phasing of the budget, but we expect this to catch up in Q3.

Centenary Book

We have sold 86 Centenary books so far this financial year. We are promoting 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 recently have added it to the shop on our website. So far 26 people have purchased a book through the membership system since April and 17 via the website. There are 55 Special editions and 282 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 £6,773.37

Row Labels	Amount	Fee	Net Count	%	
Centenary Project	9.25	0.67	8.58	3	1%
Covid Recovery Support	190.53	12.33	178.2	34	9%
Local Club Development	1448.06	87.16	1361	209	56%
Talent and High Performance	135.65	7.46	128.2	10	3%
Youth Development	719.38	46.2	673.2	120	32%
Grand Total	2502.87	153.8	2349	376	100%

Membership renewals

Please see below details for membership renewals so far to the end of November, since 20th July. We are currently at 82% of pre-pandemic levels and 99.8% of 2021/22 renewals. Renewals have slowed, but we will continue to monitor this and update quarterly.

Membership Count	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2021/22
Compete Plus - Cadet & Junior	103	579	204	117	47					1050
Compete Plus - Senior	393	577	303	101	23					1397
Compete - Cadet & Junior	163	1010	592	385	134					2284
Compete - Senior	4679	5622	3938	1291	265					15795
	5338	7788	5037	1894	469	0	0	0	0	20526
Membership Revenue	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2021/22
Compete Plus - Cadet & Junior	£ 2,060	£ 11,580	£ 4,080	£ 2,340	£ 940	£ -	£ -	£ -	£ -	£ 21,000
Compete Plus - Senior	£ 15,720	£ 23,080	£ 12,120	£ 4,040	£ 920	£ -	£ -	£ -	£ -	£ 55,880
Compete - Cadet & Junior	£ 1,467	£ 9,090	£ 5,328	£ 3,465	£ 1,206	£ -	£ -	£ -	£ -	£ 20,556
Compete - Senior	£ 84,222	£ 101,196	£ 70,884	£ 23,238	£ 4,770	£ -	£ -	£ -	£ -	£ 284,310
	£ 103,469	£ 144,946	£ 92,412	£ 33,083	£ 7,836	£ -	£ -	£ -	£ -	£ 381,746
Payment fees (Sport80/Stripe)	£ 8,278	£ 11,596	£ 7,393	£ 2,647	£ 627	£ -	£ -	£ -	£ -	£ 30,540
Amount reflected in 22/23	£ 68,979	£ 96,631	£ 61,608	£ 22,055	£ 5,224	£ -	£ -	£ -	£ -	£ 254,497
Amount deferred to 23/24	£ 34,490	£ 48,315	£ 30,804	£ 11,028	£ 2,612	£ -	£ -	£ -	£ -	£ 127,249

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	1050	
Compete Plus - Senior	1,179	1,148	1,133	1,140	1,145	1,257	1,320	1,366	1,326	680	1,357	1397	
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	2284	
Compete - Senior	18,898	19,780	20,073	20,084	20,034	20,352	20,199	20,187	19,594	11,054	15,940	15795	
Total Paid Members	24,975	26,302	26,826	26,225	25,886	26,308	26,110	25,642	24,891	13,588	20,554	20,526	

Changes to Procurement

We asked Finance committee to consider changes to our Procurement policy, which primarily included changing the range of values that were required for making purchases. We want to increase the sign off levels so as not to be too restrictive, without compromising processes, but also ensures good financial governance. The committee agreed for the proposal to go to Board for approval and the Board approved these changes on 9th December 2022.

Below is a table showing the original values and the changes approved, shown in blue text.

Original Policy	Proposed changes	
Contract Value (inc VAT)	Contract Value (Exc VAT)	Procedure
£0 - £1,000 (low risk)	£0 - £7,500 (low risk)	Obtain 1 verbal/informal quote - to be approved by Head of Finance (HoF)
£1,001 - £5000 (low risk)	£7,501 - £50,000 (low risk)	Obtain 3 verbal/informal quotations – quote which is accepted must be provided in hard copy and presented when obtaining PO number. Clear records of quotations must be retained by the department carrying out the procurement exercise. - to be approved by CEO & Head of Finance (HoF)
£5,001 - £125,000	£50,001 - £125,000	Obtain 3 formal written quotations via a full tender process - to be approved by CEO, HoF and Chair of Finance Contact Head of Operations for support through process Confirm with Finance manager budget available Obtain Purchase Order (PO) Invite perspective 'winners' for interview/presentation if required appropriate. Select the quotation deemed to offer Most Economically Advantageous Tender
£125,000+	£125,000+	Authorisation via Board - to be approved by CEO, HoF and Chair of Board Obtain 3 formal written quotations via a full tender process Contact Head of Operations for support through process Confirm with Finance manager budget available Obtain Purchase Order (PO) Invite perspective 'winners' for interview/presentation if required appropriate. Select the quotation deemed to offer Most Economically Advantageous Tender

Staff and Volunteer Expenses

We had decided at August's Finance committee meeting to review mileage rates and meal allowances and have undertaken some benchmarking with other NGB's, as well as considered the cost of living and other factors that maybe deterring volunteers.

We are paying a higher rate of mileage allowance compared to other NGB's and only 5ppm less than HMRC rates. We feel that the 40ppm is generous enough to cover the cost of fuel and a contribution towards the wear and tear of the vehicle.

For any staff that maybe in receipt of a car allowance, where it is relevant for their role. We are recommending that the mileage rate is reduced to 20ppm.

While some more work needs to be done on the other factors and ensuring we look at the Volunteer proposition as a whole, we would like to initially consider changing the meal allowances for Volunteers and Staff. This is to ensure that we have parity across the sport and is more reflective of actual costs that people are currently paying. The Board agreed to the proposed changes on 9th December 2022.

Below is a table containing the previous rates and the agreed changes, again in blue.

Meal Time	Current Rates	Proposed rates	Notes
Breakfast		£ 10.00	Only claimable where hotel accommodation doesn't include breakfast
Lunch	£ 7.50	£ 6.00	If not included at an event
Evening Meal	£12.00	£ 18.00	All meal claims do not include alcoholic beverages.