

Tyne Amateur Rowing Club

Year End Report of Trustees on club finances 2021-22

We look back on a year where the club has secured an exceptional recovery from the unprecedented disruptions of COVID to our sport and business interests.

Membership of the club has now returned to pre-covid level and is continuing to grow. We have made some £40k of investment (20k match funded by the endeavours of members) in new boats, repaired the existing fleet, invested in a much-needed movable partition in the bar/training area. This has enabled us to increase income from private events whilst continuing club related hospitality, we have also invested in a much-improved ventilation system for the main erg room. Importantly we have seen continued success on the water - detailed in the Captain's Report - increased community involvement in the club and exceptional financial returns through Tyne 1852 Ltd.

We extended opening hours of the bar from April 22 and introduced a new snack menu to capture passing trade and as can be seen from the 1852 profit and loss account, adopting the maxim of trading our way out of the pandemic has reaped dividends, with Tyne 1852 recording a substantial profit. Even accounting for the payment of ongoing charges to TARC for its use of the Charity's facilities and in accounting for previous years losses, Tyne 1852 will gift aid to TARC some £22k, albeit for accounting purposes this will not show in accounts until 22/23. It is worth reflecting that without this significant gift aid TARC itself (excluding designated funds and depreciation) would have just managed to end the year a few thousand above break even.

We have been extremely fortunate that our former chair of Rowing Committee, Dave Robinson, signed long-term contracts for energy some two years ago. We have therefore been largely sheltered from the significant rise in energy costs experienced by many organisations. This should also be the case as we move through next year with our gas contract coming to an end in December 24 and our electric in March 24. From those dates our energy costs are likely to rise very significantly. We will be reviewing how best to achieve the most efficient use of energy in the interim period.

Our clubhouse is now getting on to seven years old and it is imperative we keep on top of essential maintenance and renewal. The budget identifies some expected increase in maintenance costs and we will consider a costed planned maintenance programme as we move through the next financial year.

Next year's budget figures also show the full year effect of implementing the revised charges to TYNE 1852 for using the Charity's facilities (to reflect the increased opening hours of the bar) with in the order of £25,000 being transferred to TARC in year. This ongoing recharge, which is a Charity Commission requirement, obviously serves to reduce the year end net profit/donation. Nevertheless, we are still predicting some £7,000 gift aid from Tyne 1852 to TARC to show in accounts 23/24.

Ongoing inflationary pressures will serve to increase TARC's operating expenses with the only big-ticket item identified in addition to Repairs and Maintenance being renewal / replacement of limited IT equipment and associated software costs, using a secondhand source. Income generation to offset rising costs by increasing daytime usage of the clubhouse is being actively pursued. Tyne 1852 direct costs are forecast to increase with the company absorbing some of the increased staffing costs associated with Government recommended changes to minimum wage/holiday entitlement (which we have followed) but also planning to adequately staff the bar to curb the practice of relying on the Venue Business Manager to cover bar shifts. This results, at this stage, to a budgeted fall in gross profits – a situation which will be actively monitored on a quarterly basis.

The club's ability to both raise funds outside of normal trading activity and to save money requires the effective coordination of an identified cohort of volunteers working alongside paid staff. The club appears to be currently in a cycle where volunteers are thin on the ground and if not addressed this will impact on fundraising particularly through kitchen activity for major rowing events and rowing camps.

Management of the bar this new financial year will involve some fine judgements. On the one hand being agile in addressing any pricing changes necessitated by inflation in supplier prices, and on the other being cognisant that much of our trade is with members of the local community who will be hard hit by the current economic climate, will be challenging. Getting the balance between realistic price of drinks and snacks and retaining trade is likely to be more of an art than a science.

In view of TARC's overall positive financial position at year end -assuming the gift aid to be recorded in 22/23 and indeed in recognition of the inflationary pressures members will already be factoring in, **Trustees are NOT making any recommendation to increase general Membership fees, at this stage.** However, we will review day time membership fees during the course of the year.

We face great difficulty in estimating future costs in a period of escalating inflationary pressures, during a recession and in uncertain world events. Nevertheless, we will need to consider Membership Fees again in July 2023 and to introduce any changes that considered appropriate from the start of the financial year (September 2023)

This financial performance would not have been possible without the endeavours of many people. The Management Group on behalf of Trustees would particularly like to acknowledge the leadership of Dave Robinson in the recovery of the club from the pandemic and who stood down as Chairman of the Rowing Committee during the year. And of Phil Smark who led a team of volunteers who ensured that the kitchen made a strong contribution to club finances.

John Goddard (Chair of Trustees)