



CLUB UPDATE

An Update to members from your Board

Club Financials

Year to August 2022

Fortunately, for most of the current year, we have enjoyed our 'old rent' and 'old energy costs' (thanks to having locked in our electricity prices to March 23 and gas prices to November 22). As a result, our financial (cash) loss in the year to Aug 2022 is expected to be only £19k. Pretty much as expected.

This will leave the Club with reserves of c£213k in the bank as at Aug 2022, reducing to £190k after funding the much needed upgrade to our bowling hall lighting and club ventilation.

The following years

However, with our increased rent, soaring energy costs and general inflationary pressures, the years to Aug 2023 and beyond now look very different.

On today's membership numbers, subs and rink fees, the Club would expect to lose c£50k of cash in the year to Aug 2023. The annual losses increasing steadily to over £65k in the year to Aug 2026.

Our current £190k of reserves would then be steadily eroded, until entirely exhausted by Aug 2026. The Club would then be unable to meet its financial commitments in its current form.

Signing of the Lease

With the signing of the lease last week, we can at last confirm that the Club is secure on its present site for another 15 years.

The terms of the new lease are about as good as we could have hoped for; the rent steps up by £9k pa from July 22 and then 5 yearly with inflation, but there are no 'break' clauses on either side until next renewal.

As is entirely normal with commercial leases (where the landlord takes possession of all buildings erected on their land at each renewal), the Council now own our building as well as the land it is built upon. This is an inevitable legal result of the lease renewal and something we have no control over. However, the terms of the lease do give us the right to use the building as a bowling club without undue interference, at least until next renewal.

It has taken almost 18 months of negotiations from Club volunteers (your Board) to get the lease renewed on the finally agreed terms. The initial terms offered were considerably less favourable in various aspects and the finally agreed terms did not get unanimous agreement from all members of the relevant Tonbridge Council Committee.

From our side, whilst the Club's Directors were ultimately unanimous in signing the lease, they were only willing to do so after receiving buy-in and commitment from your Club Committees, Club President and other volunteers that the Club will work together to implement a set of actions to bring the Club back to a break-even financial position by 2028.

These actions are summarised below.

Successful implementation of these actions will require commitment and effort from all fellow members. Failure to implement such actions would see the end of the Club as we currently know it (see left), and relatively soon.

Implications for the Club

In the above scenario, the Club would need to take some quite drastic actions to cut costs / increase income by at least £65k pa *before* the Aug 2026 renewal.

This could be achieved by, for instance, running the Club entirely with volunteers (no paid staff), restricting the heating / air-conditioning, closing the Club at quiet times and substantially increasing subs & fees.

Even then, the Club would still be left with no provisions for further capital costs (such as new carpets or recovering for any further flooding until cash reserves are restored).

The way ahead

It is for this reason that, before agreeing to sign the Lease, the Directors sought commitment from the Club's Bowling Committee, Social Committee, President and other volunteers to work together to effect remedial actions such as those outlined in the 5 year Plan described here.

Successful implementation of this Plan will bring the Club back to a breakeven cash position by 2028. It will also allow the Club to maintain cash reserves of at least £100k pa throughout (enabling us to recover from further flooding) and provide for the build up of additional earmarked funds to replace the bowling hall carpet in 2030.

Updated 5 Year Plan

To continue operating as we are, the Club must plug a current annual cash loss of c£50,000, increasing to £65,000 by 2026.

There are, of course, various ways this could be achieved. And the Club's Directors and Committees reviewed various options before settling on the particular set of actions outlined below. Taken together, these actions now form the updated Club 5-year Plan, and are expected to bring the Club back to a break-even cash position by 2028.

Actions to be effected

1. Increase members full subs by £5 this renewal (others prorata) then every 2 years (generates extra £3k pa on each increase)
2. Rink Fees to be increased by 50p per session at Aug 23 renewal and then every 2 years (generates an extra £7k pa at each increase)
3. Increase net membership by 30 every year, achieving a membership of at least 650 by Aug 26 (generates an extra £7k pa in the first year, increasing to an extra £30k pa by 2026)
4. Increase bar prices by 5% over cost inflation (generates £3k pa)
5. Increase bar usage by 5% (through more social events, facilities hiring, bowling events, etc, generates an extra £1.5k pa)
6. Increasing bowling hall usage by 5%pa (generates an extra £3k pa)
7. Reduce energy usage by 10% (through moderation of the heating / cooling, saves an extra £3k pa)

As clearly shown above, increasing our membership is the critical ingredient to the Club becoming financially viable in its current form. Without succeeding at this, the Club will have to revert to less palatable options. And this is where we ask all our fellow members to play a role; by introducing friends and family to the Club, supporting our promotional events, distributing leaflets to publicise our Open Weekend, helping with our Taster Sessions and New Bowler roll-ups, etc.

Progress against the above Plan will be reviewed by your Directors and Committees on a regular basis. If we are off course then appropriate action will be identified and taken. We will, of course, report back to our fellow members at each review.