

Newhaven and Seaford Sailing Club Ltd

2023 Director's Annual Report



TREASURER'S REPORT (Ian Lambert)

To be read with the published Financial Statement <https://sailinginsussex.org/2024-agm/>

OVERVIEW

As in 2022, the Board made the decision in 2023 to expend significant money (relative to our turnover) to understand and start addressing shortcomings in our buildings at both sites.

- In the case of Seaford this was the long standing concern about the structural Integrity of the steelwork, fundamental to the safety of the building.
- In the case of Piddinghoe it was the pressing need to upgrade the changing / showering / toilet facilities to meet modern 'safeguarding' standards and accommodate wheelchair access.

In both cases., expenditure across 2022 and 2023 has delivered solid progress at a planning level, but has not yet started delivering the physical improvements we need however it has enabled the Board to seek and receive approval from the membership at an Exceptional General Meeting (EGM) in early 2024 to commit to the further, for us, very significant expenditure, to deliver these physical improvements over the next ten years.

The 2023 results, explained below and on the associated 'Financial Statement' produced for Companies House, show that in the context of previous years and in comparison with other small to mid sized Sailing Clubs we have once again had a good 'trading' year.

I believe we have also reached a position, following the EGM, that the Club membership is fully aware of the challenges we face, has agreed how we should proceed and most significantly has revealed a good body of members with relevant skills who are prepared to commit their time and energies to support the Club tackle the hefty workload.

From a financial perspective the next few years are not going to be easy., we will see the positive buffer of cash we currently hold being rapidly depleted as we pay for materials and professional services on items that the law does not allow us to tackle with volunteers. We will also have lost the steady income, at least for a period, from the café facility at Seaford which has delivered at least 15% of our income in the last few years.

There is however an enthusiasm about fundraising in the club after the EGM that reflects the energy and attitudes that saw the Club build the current clubhouse at Seaford in the early 'seventies., and I look forward to seeing us reporting positive progress at the end of 2024.

Thank You. I would again like to thank **Colin Cryer** for his ongoing and vastly reliable handling of payments to suppliers and reimbursement of member's expense claims throughout 2023.

I hope it will have remained transparent to most members, but with the Board's approval, I have been absent on a 'round the world' trip for first 3 months in 2024 and Colin has 'held the fort' with the Commodore providing financial approval during this period. Thank you to both Colin and Terry.

Ian Lambert, Treasurer

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SUMMARY & EXPLANATION of 2023 Results

INCOME

'Turnover' plus 18% to £149,395 (2022 £126,693) : *key factors:*

- **Personal Membership and Berths** plus 3.4% to £78,471 (2022: £75,874)
- **'Corporate' Memberships and charges:** plus 50% to £9,078, (2022 6,070)
- **Training** plus 46% to £28,481 (2022 £19,535)

'Other Income' plus 12% to £32,805 (2022 £29,343)., *key factors:*

- **Bank Interest rate increases** meant we received £4,496 (2022 in £554)
- **Galley Franchise:** small reduction due to closure from 4th Nov: £27,871 (2022 £28,789).
- **Egrets Way Lease increases** as now a full year, to £400 (2022 partial year £11)

COSTS

'Cost of raw materials and consumables' despite a year of high inflation we managed to deliver a slight reduction: **less 3%** to £20,095 (2022 £20,712)

'Other charges' plus 11% £119,901 (2022 £108,199) *key factors:*

- **'Establishment Costs'** plus 12% £88,784 (2022 £79,627)., *key factors:*
 - **Business Rates less 45%:** to £7,788 (2022 £14,287) as finally, after many attempts, we obtained a rating revaluation for Piddinghoe.

Note: With the closure of the Seaford clubhouse on 4th November we have also obtained a temporary 'holiday' from Seaford business rates until June 24., although this is not yet reflected in the accounts as it wasn't agreed until 2024.

- **Electricity costs at Seaford less 19%** to £12,324 (2022 £15,278) largely due to generation of 'free' electricity from our Solar Panels which went live in January., also from reduction in consumption after building closure on 4th November.

Note: In the same period **electricity costs at Piddinghoe** rose **plus 50 %** to £2,885 (2022 £1,929) largely reflecting the significant increase in electricity prices in 2023 and further emphasising how much benefit we are deriving from the solar investment at Seaford.

- **(normal) Repairs and Maintenance less 20%:** £15,089 (2022 £18,850) reflecting the decision to limit building maintenance to essential work until a decision made on re-build considerations at both sites.
 - **Piddinghoe: less 28%:** £6,304 (2022 £8,810)
 - **Seaford: less 13%:** £8,785 (2022 £10,040)
- **Piddinghoe Water Quality: plus 76%:** £3,993 (2022 £2,271) reflecting increased spending on proactive measures (straw, regular testing etc)

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- **Building Project Costs plus 148%:** £38,600 (2022 £15,584)
 - **Piddinghoe re-build preparation: less 15%:** to £6,606 (2022 £7,795) . Planning approval successfully obtained Feb 22nd 2023 & structural engineer consultancy work for structural steelwork completed. Further work on costing the build suspended following EGM decision to prioritise Seaford.
 - **Seaford re-build preparation: plus 311%:** £31,994 (2022 £7,789) Includes the significant cost (£22,771) for the professional removal of asbestos insulation in ground floor areas, enabling access to fully assess steelwork.

'General Administrative expenses' plus 4%: £26,398 (2022 £25,535) **key factors:**

- **Berths at Newhaven: plus 44%** £3,474 (2022 £2,408). *Newhaven Marina pointed out nicely in late '22 that we had been exploiting their generosity and leaving both RIBs and ARK on the water but only paying for one berth. After a Sailing Committee discussion about the risk of reducing normal cover to one RIB plus ARK a decision was made that we did need to leave both RIBs and Ark on the water during the summer and a negotiation took place with the Marina management which has resulted in our paying more, but still receiving very favourable terms for berthing our three sea safety boats.*
- **Fuel Costs: less 24%:** £1,827 (2022 £2,400)
 - **Inland fuel: less 15%:** £482, (2022 £567)
 - **Sea fuel: less 26%:** £1,345, (2022 £1,832)
- **Boat Maintenance ('Bosun' work) less 35%:** £3,615 (2022 £5,542)
 - **Sea Safety Boats: less 29%:** to £1,903., (2022 £2,674)
 - **Club dinghies: less 40%:** to £1,712, (2022 £2,868)
- **Sundry Expenses** £816 (2022 £0) *costs of catering etc for club AGM/EGMs., previously coded to Social Expenses but now separated out for visibility.*
- **Bank charges plus 14%** £3,460 (2022 £3,037). *The vast amount of these costs are associated with the fees to receive electronic payments. Although these costs look significant., they are the price of running a business today which has many hundreds of payment transactions a month. We regularly focus on getting best value from the various service providers and members making payments using the 'GoCardless' facility continues to be the best for the club.*
- **Professional Fees plus 388%** £4,773 (2022 £978) *This line should more accurately be titled 'Environmental Policy expenditure' and reflects the cost of materials including the floating islands and the hedging introduced at Piddinghoe this year. All these costs were offset by the grant received some time ago from Rampion for Environmental work at the Pond.*

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'Depreciation & other amounts written off assets' plus 62% £33,832 (2022 £20,880) 'Depreciation' is the term used for apportioning the cost of new 'capital' items (eg Solar Panels) over their expected lifetime. It results in a part of their cost then appearing in the accounts in the same year as the benefits derived.

- **'Business as usual depreciation'** less 6%: £19,641 (2022 £20,880)
- **Sailability:** boats and equipment bought in 2023, fully depreciated in the year of purchase as funded by Grants: £12,632 (2 dinghies & equipment)
- **Environmental equipment** bought in 2023, fully depreciated in the year of purchase as funded by Grants: £1,559 (shredder)

Other Factors to be aware of:

- **'Sailability'** is self-funding and in effect operates as a separate business unit within the NSSC Limited Company accounts.

As happened in 2022, a number of Sailability specific grants gained and unspent in the year have been carried forward (accrued) in our accounts to following year. They are ring fenced for the purchase of new Sailability equipment and the surfacing of paths at Piddinghoe to accommodate wheelchairs . This accounting treatment is in line with our Accountant's advice and reduces the 2023 income figure by £19,226 (2022 £6,116).

'Profit' (or more correctly 'surplus' as we are a 'not for profit' organisation)

Taking into account the income and costs described above, we achieved a **£9,632 profit** before tax in 2023., plus 54% (2022. £6,245).

We will pay **£854 in corporation tax.**, (plus 715% on 2022 £105)