

Finance Report for the year ended 31 December 2024.

Having taken over the role of Finance in March following the last Annual Members Meeting (AMM) I conducted a refresh of the 2024 budget and, in accordance with the existing Club Strategy, began the work to restructure Club financial activity across four cost centres; Assets; Events; Support; and Membership. This is now complete and gives the Management Team (MT) a better perspective on where Club income is being spent and enables more timely intervention in managing the budget. Given the strongly expressed wishes of members at the AMM that TS2 remain 'on the road' into the future, I have instigated a financial plan to facilitate the future restoration of TS2. At the April meeting of the MT I presented my findings and a revised budget which predicted a deficit of £44,000.

As can be seen from the end of year accounts, the overall position shows a deficit for the year of £17,707. Approximately half of the reduction in the forecast deficit was achieved by the MT and staff successfully working to reduced budgets, plus costs relating to the transition between old and new membership databases and websites came in below estimate. The deficit was then further reduced through unplanned savings in staff salaries and unanticipated surplus from the Inter Club event. In sum, one-off and unpredicted events have hidden the inherent underlying poor financial performance of the Club which must be addressed.

Subscription income was very slightly down on the previous year, but this is largely due to a minor change to our accounting process.

The increase in event sales and costs are mainly due to the Inter Club Weekend. The Club provided the banking and accounting service for the event, so the figures show in our accounts. Whilst always envisaged as a breakeven event, the Inter Club did generate a surplus and the Club received £12,392 as a result. Please note, that the figure for 'event costs' does not include staff salary or the £24,233 of surplus paid to our partner and other attending car clubs who supported the Inter Club weekend; the latter is included in the figure for 'Donations to Groups and Charities' shown as part of the Administration expenses on page 14 of the accounts. When full costs are taken into account, our Events activity overall cost the Club £41,299. Further detail will be provided at the AMM.

Shop sales and costs were down significantly due to the Club moving to a commission arrangement with our merchandise partner Blade. The remaining shop stock of £6551 was written off, and so the shop made a loss overall. By saving on the requirement to hold thousands of pounds of stock and removing the postage cost and administrative burden from the Office, the commission approach to merchandise sales should be profitable in future.

Track day costs increased significantly. Two track days were cancelled due to insufficient participants signing up making them financially unviable, and the 2 that went ahead each made a small loss. Income from advertising in TR Action increased slightly while income from insurance commission fell, but both were in line with expectations.

Administration expenses were higher than the previous period, but the figure is distorted by the surplus (Grants and Donations) resulting from the Inter Club.

Staff salaries were less due to Phil and Natasha leaving the Club at the end of August and not being replaced. Working with a reduced staff footprint did, however, increase reliance on contractor and MT support to Club activity and costs related to the recruitment of replacements were incurred.

Accountancy fees increased due to the additional work undertaken by Weller's in supporting our move to a new cost centre based financial management approach. Weller's knowledge and experience of our Club finances meant this was achieved efficiently and they continue to provide a valuable service to the Club. I am content for them to continue with the production of quarterly management accounts, and the preparation of the formal year end accounts in 2025.

Computer costs are slightly higher due to continuing to run our legacy IT systems in parallel with our new systems. Costs for rates, heat and light have increased by up to 200% as the business did not benefit from any consumer price caps.

The MT and Regional Coordinators expenses were increased due mainly to the Inter Club event being short listed for an RAC award in London and providing additional line management and MT support to Club staff during a year of change for the Office. A detailed summary of MT expenses will be presented to the AMM.

TS2 costs. Funding the restoration of TS2 presents a financial challenge. As the Club doesn't own the car, the cost can't be managed on the balance sheet by depreciating the asset over time. Consequently, I have started a deferred payment plan (effectively a savings plan) that allocates funds in the years prior to the expense being incurred. Since an extensive restoration of TS2 is anticipated as being necessary by 2029 at an anticipated cost of over £40,000 I have factored into the annual accounts a deferred payment of £10,000 this year towards that cost.

Depreciation of fixed assets relates to the exhibition equipment, other assets and the breakdown App which we are writing off at a percentage each year. It has increased this year due to the inclusion of the new IT systems which will be depreciated over the next 3 years. As we have already spent the money and are making an accounting adjustment to write down the value on the balance sheet, the depreciation charge does not affect the cash position of the Club.

My thanks go to Jo for her work in the routine maintenance of the Club accounts and supporting me in carrying out my responsibilities.

My proposals regarding the accounts to 31 Dec 2024 are:

1. The Accounts be accepted as a true record by the AMM.
2. Weller's are retained as the Club Accountants for 2025.



Chris Thirtle
TR Register Car Club
Finance Director