



Finance Director's Report – Q1 2025

1. Overview

Q1 2025 has begun on a strong footing. Despite the absence of a formally approved FY25 budget, our financial results reflect a stable and well-managed organisation. We are reporting a solid operating surplus, healthy liquidity, and no material variances or concerns to flag at this stage.

Performance is being assessed against prior-year comparatives until the budget is approved, with results tracking positively across most key lines.

2. Financial Summary (Q1 2025 vs Q1 2024)

Metric	Q1 2025	Q1 2024	YoY Movement
Turnover	£189,202	£172,057	+10%
Operating Profit	£38,592	£18,193	+112%
Cash at Bank (as at 31 Mar)	£376,125	£388,205	−£12,080
Net Assets	£272,310	£251,994	+£20,316

3. Income Commentary

- **Membership income** rose to £89k (from £59k YoY). However, the uplift is not reflective of a material change in underlying member growth. Instead, it is due to a change in income recognition methodology — we are now aligning reported membership income with actual sign-up timing and expected uptake (as per the draft FY25 budget), rather than smoothing income across quarters.
This approach ensures greater transparency, avoids artificial deferrals, and gives a clearer picture when we begin reporting against budget. The prior-year figure was materially lower due to a larger portion of income being pushed into deferred revenue.
- **Coaching course income** increased by £2.3k YoY, driven by stronger early demand and likely improvements in course marketing or format.
- **International event income** is down £12k compared to Q1 2024, due to phasing and reduced activity earlier in the quarter. This is expected to reverse later in the year.
- **British comp entry fees** and **sponsorship income** remained broadly consistent YoY, with no significant variances to report.

4. Cost Base and Key Expenditure

Total administrative costs for Q1 were £151k — broadly flat YoY (£154k in Q1 2024), reflecting continued cost control.

Key cost movements include:

- **Streaming and event presentation costs** increased to £10.7k (vs £4.6k), supporting our focus on enhanced event visibility and quality.
- **EO and referee-related expenses** rose by ~£7k combined, likely driven by activity timing and increased delivery volume.
- **Comp package transport costs** of £7k are a new addition this year and reflect strategic investment in event logistics.
- **International costs** fell £15k YoY, though this is expected to pick up as events ramp up through Q2 and Q3.
- **Performance development spend** rose to £3.75k (vs £1.25k) — aligned with our commitment to investing in athlete pathways and high-performance initiatives.

Overall, cost control remains tight while we selectively invest in key areas of growth and development.

5. Balance Sheet Position

Our balance sheet remains robust with **net assets of £272k**, up from £252k at March 2024 and £234k at December 2024. Key movements include:

- **Cash reserves** of £376k (down ~£12k YoY), still providing healthy coverage for operating needs and future investment.
- **Fixed assets** rose by £5k in Q1, largely due to additional capitalised intangible assets — new BP website.
- **Accrued income and prepayments** remain modest, with a minor increase in prepayments.
- **Short-term creditors** increased by £14k since December, mainly due to accruals — within expectation and nothing of concern.

6. Risks & Observations

- **Deferred income** fell to £28.6k from £74.8k YoY — this is a knock-on effect of the change in membership income recognition mentioned earlier and should not be viewed as a negative trend, but rather improved timing accuracy.
- **Divisional rebates** rose to £59.9k (from £47.3k in Dec).
- **Accruals** increased to £92k — no red flags here, but worth monitoring for any unanticipated spikes as we progress into Q2.

7. Conclusion and Next Steps

Q1 2025 reflects a healthy start to the year with a solid surplus, strong reserves, and no material financial concerns. The change in income recognition methodology enhances clarity and will improve reporting once we are tracking against budget.

Once the FY25 budget is approved, we will pivot to reporting variances against budget, allowing for more meaningful insights and course correction where needed. Until then, our focus remains on maintaining strong financial discipline and supporting the strategic growth of the Federation.
