

Consolidated Balance Sheet AS AT 31ST DECEMBER 2021



ULSTER
REFORM CLUB
Established 1885

	2021	2020
	£	£
Fixed Assets		
Freehold property at valuation	4,850,000	7,000,000
Furnishings & equipment	73,936	86,514
	4,923,936	7,086,514
Intangible Assets		
Computer software costs	2,211	3,318
	2,211	3,318
Investments		
Sir Cecil McKee Bursary	102,549	91,486
URC Portfolio	180,716	163,182
	283,265	254,668
Current Assets		
Stock	17,340	16,517
Debtors	14,151	20,775
Bank	908,924	576,508
	940,415	613,801
Creditors: Due within 1 year		
Bank loans and overdrafts	0	0
Creditors and accruals	197,590	201,300
Subscriptions paid in advance	178,517	180,126
Corporation Tax	45,528	42,095
	421,635	423,522
Net current assets	518,780	190,278
Other provisions and liabilities		
Deferred tax provision	104,159	513,785
Total net assets	5,624,033	7,020,996
Financed by:		
Capital and reserves at 31 December 2020	7,020,996	6,893,507
Fair value reserves movement	22,085	2,319
Surplus/(deficit) for the year	(1,419,048)	125,170
At 31 December 2021	5,624,033	7,020,996

Notice of Annual General Meeting

The AGM of the Members will be held in the Club at 1.00 p.m. on Friday 29th April 2022 for the purposes of:

1. To receive the Report of the Management Committee.
2. To receive the Statement of Accounts and the Report of the Auditors thereon.
3. To appoint Officers for the ensuing year.

4. To fill vacancies on the Management Committee.
5. To appoint Auditors for the ensuing year.
6. To decide upon any other Resolutions which may have been submitted to the meeting.

David A Wilson
Honorary Secretary
Belfast, 2nd March 2022

OFFICERS 2021 - 2022

President	CJ Sherry	Honorary Secretary	DA Wilson
Vice Presidents	JT McAlpine DSM Fitzsimons	Honorary Treasurer	AGK Bannon
Trustees	R Barnett AR Henderson H McC Logan JVS Mills THB Quin	Management Committee	ML Blackburne AB Gordon DJ Cubitt PTR Rainey Professor A Adair CBE Mr C White
			Retire 2022 Retire 2023 Retire 2024

Report by President on behalf of the 2021/22 Management Committee

This Report can be found in the News Section of our website – www.ulsterreformclub.com

Hospitality Conviviality Individuality

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Ulster Reform Club & Building Company

Honorary Treasurer's Report 2021

I have pleasure in presenting the Honorary Treasurer's report on the abridged consolidated financial statements of Ulster Reform Club and Ulster Reform Club Building Company Limited, for the year ended 31 December 2021, set out at pages 3 and 4 of this report.

As in the previous year, the Covid 19 pandemic had both positive and negative impact upon our finances. The most positive was the increased level of government financial support, amounting to £208,000, compared to £132,000 in 2020. The negative, further prolonged periods of Club closure equivalent to 50% of normal opening which, however, represents a 10% improvement over the previous year.

At a high level, the Income and Expenditure account reflects a post-tax loss of £1,419,000 for the year, compared to a profit of £125,000 in 2020, a reduction of £1,544,000. Whilst this represents a highly material reduction in reported profit, it is of a purely technical, non-cash nature, resulting from a fall of £2,150,000 in the fair value of the Club premises, partially offset by the release of the related deferred tax provision of £410,000, the resultant net loss amounting to £1,740,000.

Total trading income for the year amounted to £892,000, an increase of £102,000 over the previous year. Member's subscriptions and entrance fees declined by £18,000 reflecting the impact of a net reduction of 34 members. Net income from catering and bar increased by £45,000 due to an additional 5 weeks trading, however, gross margins fell by 3.8% due to the higher costs of temporary agency staff.

Pre-tax expenditure for the year amounted to £525,000, a decrease of £50,000 over the previous year. This was due largely to the property rates exemption and reduced payroll costs following completion of the management transition.

Excluding the impact of the net loss arising from the revaluation of the Club premises, the underlying trading profit for the year was £321,000 compared to a profit of £125,000 in 2020.

The Consolidated Balance Sheet indicates net worth of £5,624,000, a decrease of £1,397,000 on the previous year, reflecting a combination of profit for the year and the significant fair value adjustments.

The most material aspect of the Balance Sheet is the Club premises which were valued by independent experts for the purposes of the 2021 accounts at £4.85 million, which, in the opinion of the Building Company Board, represents the current fair value.

The Club and Building Company have been debt free for several years and annual surpluses generated by rental income have been accumulating. At December 2021, the combined total of cash and investments, (excluding the Sir Cecil McKee Bursary), stood at £1,090,000 representing an increase of £350,000 compared to December 2020.

Membership numbers declined by a net 34 to 832 at year end, reflecting the loss of 87 and the addition of 53 members. Much of the decline is attributed to an unprecedented level of resignations, assumed to be the result of Covid and Club closure. The ratio of town members that pay the higher subscription has also fallen from 42% in 2018 to 38%. The other side of the coin points to an ageing membership which is likely to accelerate with attendant risks. An analysis of membership numbers by category is set out in the following table.

	2021 (No)	2020 (No)
Town	318	339
Junior	5	8
Senior	317	318
Other	192	201
	832	866

Management Committee is in the process of rolling out a campaign to attract new members, encouraging all to promote the Club within family and wider networks with a view to putting forward suitable candidates. Measures already implemented included a temporary reduction in the initial joining fee and a relaxation of the dress code in relation to ties, which together, have recently generated high levels of membership applications. As to the future, plans are progressing to extend opening hours, giving members greater access to Club facilities and activities.

Over successive reports, I have referred to the risk of financing the Club's annual loss with rental income generated by the ground floor tenant lease. The Club's 2021 underlying trading profit amounted to £167,000 compared to a loss of £10,000 the previous year. However, both year's results included significant amounts of government financial support which are unlikely to be available in future. As to the medium term and in the absence of unforeseen circumstances, Club losses may well return to levels greater than £100,000 per annum, which were the norm prior to the onset of the pandemic.

Given that the ground floor tenant lease expires in 2024, there is a significant risk that current rental levels may not be sustainable beyond the expiry date and may be insufficient to cover the Club's loss going forward, thereby depleting precious cash reserves. To minimize this risk, the Club should ideally be self-financing by the lease expiry date,

but this can only be achieved by the active support of the membership, introducing new members and increased utilization of the Club's splendid facilities.

As to the legal formalities, accounts have been prepared for Ulster Reform Club that comply with the Registration of Clubs (Accounts) Regulations (Northern Ireland) Order 1997. These and the statutory accounts of Ulster Reform Club Building Company Limited, that comply with Companies Act 2006, form the basis for the consolidated financial statements included in this report, and will be available in the Club's General Office until the AGM at 1.00pm on Friday 29th April.

In closing, the Management Committee welcomes the return to more normal operations and appeals to the members to secure our long-term future in the manner outlined above.

Adrian GK Bannon
Honorary Treasurer, 2nd March 2022

Abridged consolidated financial statements. Ulster Reform Club and Ulster Reform Club Building Co. Ltd.

Consolidated Income & Expenditure Account

FOR THE YEAR TO 31ST DECEMBER 2021

	2021	2020
	£	£
Income		
Club subscriptions	232,039	250,255
Entrance fees	7,033	7,817
Events income	1,413	2,215
Gross profit from catering	92,258	61,766
Gross profit from bar	51,283	36,627
Grant income	207,687	131,561
Sundry income	20,563	19,503
Rents received	280,000	280,000
Bank interest received	—	459
Total income	892,276	790,203
Changes in fair value of investment property	(2,150,000)	—
Expenditure		
Administrative expenses	38,181	46,389
Wages & pensions	336,113	376,422
House expenses	93,106	91,670
Repairs	41,113	42,218
Depreciation & amortisation	16,909	19,157
Total expenditure	525,422	575,856
Surplus before tax	(1,783,146)	214,347
Taxation	364,098	(89,177)
Surplus/(deficit) for the year to 31st December	(1,419,048)	125,170