



ESSEX TENNIS

COVID 19 SUPPORT PACKAGE & COVID 19 LOAN SCHEME



Over the last few weeks, we have been trying to assess the likely impact of Covid19 on tennis and in particular our Essex clubs. From discussion with a number of clubs we know that subscription renewals, which generally take place in the March/April period, are substantially down and whilst no clubs have expressed any immediate problems, there are concerns over any extended disruption to playing tennis and the financial impact over the next 12 to 24 months.

We have therefore decided to make a financial support package available to all AE and P2P tennis clubs in Essex. When considering the scope of the package we also had to take into account the impact that Covid19 shutdown is likely to have on the finances of Essex Tennis. As Wimbledon is highly unlikely to take place this year and Redbridge closed so no court time income, it is likely to result in a reduction to our income in the region of £100,000, although some of this will be offset by the cancellation of the remaining County matches, at all levels.

Covid Support Package

AE Loan Scheme

Suspend repayments of loans and interest for clubs with an AE Loan for a period of 12 months. This will save clubs over the 12 months, a sum in the region of £100,000
This has already been implemented.

AE Fees

Suspend AE Fees for the next financial year (2020/21) commencing 1 October 2020. This will save clubs an amount in the region of £65,000.

P2P Fees

We are making representation to the LTA for them to suspend the P2P fees for financial year 2020/21.
If successful, this would save clubs a further sum of £50,000.

Covid19 Loan Scheme for Clubs

All AE and P2P registered clubs are eligible for a loan if they pay a registration fee direct to us, qualify as a 'volunteer club' - and are going to have cash shortages within the next 12 months.

This loan scheme will be available until end of September 2022 - this will enable those who may not need support right now - but later - to still have access to these funds.

Clubs can apply for a loan up to 3 times their combined AE and P2P fee for this financial year.

The loan to be interest free for the first 2 years then interest to be charged at 2% of the outstanding balance of the initial loan at the start of each subsequent year. Interest will be accrued. and become payable on the anniversary date of the final loan repayment.

Repayment can be made after 2 years or it can be extended for up to a further 5 years, with 25% of the original loan repayable at the end of each subsequent year. The interest being payable at the end of year 7.

The loans can be repaid in full at any time without penalty.

AE Clubs seeking a loan would be required to remain AE members for a five-year period beyond the duration of the loan.

P2P only clubs seeking a loan would be required to continue with P2P membership and make a commitment to become an AE member at the end of the initial 2-year period for a minimum of five years.

Simplistically this scheme offers a flexible loan of up to 7 years with no interest for the first two. See the example below.

If all AE and P2P clubs applied for a maximum loan this would require an amount of £345,000.

Notes

Application process

This will be simple and quick, just fill in the appropriate form and email it to us. Clubs can make an application in advance of needing the funds, and we would aim to have responses and funds allocated within 10 working days of the application. If possible, please apply for your funds 4 weeks prior to the date they are required.

We can advise clubs of their AE and P2P fees if necessary and the maximum amount of the loan that can be applied for.

Applications and all communication will be electronic via emails to joanne@essextennis.org.uk

The application should indicate **how much** you need to borrow together with **the date** they are required.

The application should be accompanied with copies of the **Club accounts** for the last two years together with if possible, a simple **cash flow statement**. An Excel spreadsheet is available which you might find useful, or if you prefer to create your own cash flow document that's fine.

Once received the request will be reviewed by the Treasurer (or other duly authorised officer) and a response issued within 10 working days together with a Loan Agreement schedule for acceptance by 2 Club Officers. Once the acceptances have been received by us, the funds will be transferred to you by BACS.

Funds will be transferred to the club, normally 14 days prior to the commencement date of the loan, but if lead time is shorter, then as soon as possible.

Interest Charge

For the avoidance of doubt, Essex Tennis has no intention whatsoever in benefitting from the current crisis. Interest charges are only intended to top up, in due course, our reserves which do, of course, belong to you/all our registered clubs. Consequently, this compensates clubs who do not borrow at all or do not extend the loan beyond two years. The interest will not be compounded, and the total amount of the interest will have to be repaid on the anniversary of the final loan repayment.

Example of Loan:

Loan of £10,000 made on 1 Sept 2020

If no extension is required - loan to be repaid on 1 Sept 2022

If full extension period is taken, then repayment would be as follows:

Loan payment	1 Sept 2023	£2,500
Loan payment	1 Sept 2024	£2,500
Loan payment	1 Sept 2025	£2,500
Loan payment	1 Sept 2026	£2,500
Interest repayment	1 Sept 2027	£500